

# THE DEPARTMENT OF STATE



# Bulletin

Vol. XLIV, No. 1135

March 27, 1961

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THE  
OFFICIAL  
WEEKLY RECORD  
OF  
UNITED STATES  
FOREIGN POLICY

THE DEPARTMENT OF STATE

# Bulletin

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March 27, 1961

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## Secretary Rusk's News Conference of March 9

Press release 122 dated March 9

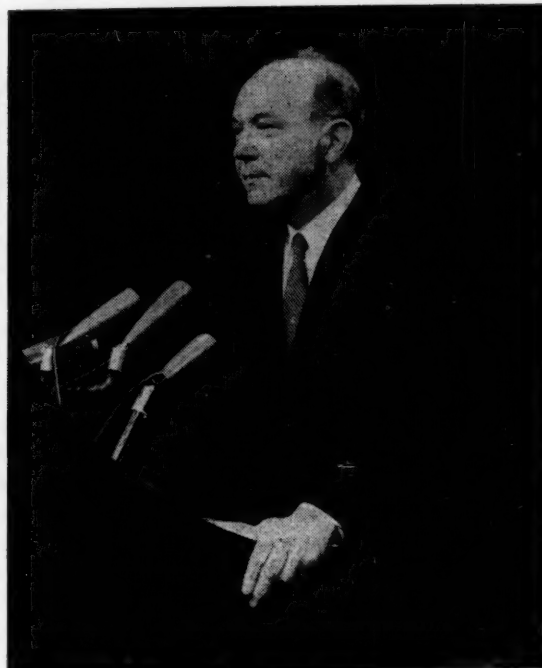
*Secretary Rusk:* I have one or two comments to make. I have invited several hundred radio and television commentators and public affairs program directors and newspaper editorial writers and columnists to attend two foreign policy briefing conferences in Washington next month. These will come from different parts of the country. The radio-television session is scheduled for April 3 and 4, and the conference for newspaper writers will be held April 24 and 25.

President Kennedy personally will join me and key officials in the State Department and other Government agencies in these briefing sessions. The Department has arranged these conferences as part of its effort to see that the American people have access to basic facts about, and fundamental understanding of, our foreign policy, and it will give us an opportunity to go into many matters about which they might have some questions.

Secondly, President Kennedy has this morning—I believe just a few minutes ago—announced the acceptance by President [Habib] Bourguiba of Tunisia of his invitation to pay a state visit to the United States beginning May 3.<sup>1</sup> The invitation was extended some weeks ago. His will be the first state visit to take place during the new administration, and we look forward to it with warm anticipation.

The President has already indicated in his announcement the high regard in which we hold President Bourguiba as the leader not only of his own nation but as a statesman of vision and good

<sup>1</sup> For a White House announcement, see p. 448.



will whose energies have been devoted to the broader welfare of North Africa. We have very much in mind the recent meeting between President de Gaulle of France and President Bourguiba, following which the two leaders expressed their belief that a positive and speedy evolution of the Algerian problem might now be possible. We have in mind also the subsequent consultations between President Bourguiba and other North African leaders looking to the same goal. It will be a great privilege and pleasure to see President Bourguiba here in Washington.

We are facing a rather busy period ahead of us in our foreign policy. As you know, the General Assembly is in session now, with meetings of the Security Council undoubtedly being interspersed with that meeting; the nuclear test negotiations will resume on March 21, with Mr. Arthur Dean in charge; and I personally will be running out to the University of California on March 20 for their annual Charter Day exercises to discuss some aspects of our foreign policy. Shortly thereafter I will be leaving for the SEATO [Southeast Asia

## Secretary Invites News Executives to Two Foreign Policy Briefings

Press release 119 dated March 9

Secretary Rusk announced on March 9 that he is inviting radio and television public-affairs program directors and commentators and newspaper editorial writers and columnists from all 50 States of the Union to attend two foreign policy briefing conferences to be held next month.

President Kennedy will personally participate with him in both conferences, he announced.

"The purpose of the conference," the Secretary wrote, in a letter of invitation to the broadcasting executives, "will be to examine a number of current international issues and to provide opportunity for discussion between you who report and comment on these issues and senior officers of the Department and other government agencies who are responsible for dealing with them.

"It is our hope that these discussions will provide you with useful basic information and, at the same time, help us to improve our understanding of your information needs."

The first of the conferences will be held on April 3 and 4, for the radio and television group. The second will be held on April 24 and 25, for the newspaper editorial writers and columnists.

The Secretary's invitations to the radio and television officials have already gone out and will be followed in the near future by invitations to the editorial writers and columnists.

Senior policymaking officials of the Department and key officials of other Government agencies will take part in both of the conferences.

Some 300 persons are expected at each of the briefings.

Treaty Organization] meeting in Bangkok, which meets on March 27-29; and then Lord Home [U.K. Secretary of State for Foreign Affairs] and I will come back directly to Washington to be here for Prime Minister Macmillan's working visit in early April. I expect in April to be going out to the CENTO [Central Treaty Organization] meeting in Ankara, April 27-29.

I do want to have an opportunity to meet my colleagues who are foreign ministers of the other countries with whom we are closely allied. I also think that we foreign ministers must discuss among ourselves a bit how we conduct our business over the months and years ahead. It has been suggested that foreign ministers perhaps ought to organize a trade union to try to establish more

tolerable working conditions, but that is something for us to think about and talk about.

But I owe you gentlemen a considerable amount of back time; so I will stop talking and open the way for your present questions.

### Position on Berlin

*Q. Mr. Secretary, Mr. Harriman [W. Averell Harriman, Ambassador at Large] at a news conference in Berlin said yesterday that the Kennedy administration didn't feel itself bound by any of the actions of the previous administration with regard to Berlin, and, in his words, the discussions should start from the beginning. Does this mean that you do not consider yourself bound by any of the proposals which were made by Secretary Herter at the Geneva foreign ministers meeting in 1959?*<sup>2</sup>

A. Well, I think there are a number of details in the past negotiations of a problem of this sort which have to be reviewed and looked at again as a new administration accepts responsibility. But the essential elements, the key core of our attitude on the Berlin problem, of course has not changed at all. President Kennedy has made that clear. I have attempted to myself. We are strongly committed to the freedom of West Berlin. We are strongly committed to the freedom of the people of that city, and we expect to sustain our own position in that city as we look into the future.

*Q. Mr. Secretary, starting anew or from zero, if that is in fact our policy, does this eliminate any understanding that might have existed between former President Eisenhower and Premier Khrushchev at the Camp David meeting, or does it affect Mr. Eisenhower's statement that he considered Berlin to be an abnormal situation?*

A. Well, I think that it is important on a question of that sort not to go back and pick up all of the words and rhetoric and the possible sources of misunderstanding but to take a look to see where we go from where we are. Now it may well be on many of these questions, and indeed it has already proved to be, as we looked at a number of them, that we shall find ourselves in approximately the same position as we were before. In certain other problems we may have some additions or changes to suggest, or some fresh ap-

<sup>2</sup> For background, see BULLETIN of Aug. 24, 1959, p. 265.



proaches. But I would not wish to get into questions of rhetoric here in looking to the past. We start from where we are and go on from here. The central aspect of our policy is that Berlin should be free.

*Q. Mr. Secretary, what can you tell us about the prospects for the nuclear test negotiations, particularly with respect to the duration of the moratorium on test explosions? Precisely how long do you think the United States can continue to refrain from testing weapons without possibly jeopardizing our security?*

A. Well, we are going into these nuclear test negotiations with the utmost seriousness in the hope that we can find an agreement which will be internationally acceptable and in every way in conformity with the American security interests. We shall negotiate, we hope, clearly, specifically, and, of course, in utmost good faith. It is too early to predict what the results of those negotiations will be. It is certainly too early to indicate what the decision of the President might be if we find that those negotiations are not coming to a conclusion.

*Q. Could you give us at least an indication, Mr. Secretary, of what aspects of the Eisenhower policy on Berlin are under consideration for possible change or under review?*

A. I don't think there is any implication at this point that there are aspects which are under change. We are studying the entire problem, and we shall have to deal with that at the appropriate time.

*Q. The 1942 Protocol of Rio de Janeiro ceded half of Ecuador's territory to Peru, and the President of Ecuador now claims that this was brought about by pressure from the United States wanting to present a united hemisphere during World War II and that the treaty is null and void. The United States was one of the four powers guaranteeing that settlement. Do we have a position on Ecuador's complaint at this time?*

A. I have not reviewed the earlier history of that question. At the present time we do know that there are exchanges between Ecuador and Peru on this problem. We are working with both of those Governments in the hope that we can help them work this out on an amicable basis.

*Q. Mr. Secretary, has the decision been reached on the importation of Cuban molasses, tobacco, fruit, which is netting Castro some \$70 million a year?*

A. That question is under very urgent study indeed, and we should have our conclusions on this in a very few days indeed.

*Q. Mr. Secretary, in your first press conference<sup>3</sup> you said we now regarded the question of Cuba as a problem common to all of the nations of the hemisphere. Brazil and Argentina have indicated that they are opposed to a meeting of foreign ministers of the hemisphere to study collective steps against Cuba. Have we given up the hope of such a conference?*

A. Well, there was no formal proposal for a meeting of ministers to consider this question. We do, as you know, believe that the Cuban problem is a hemispheric problem. There are elements in the Cuban problem which point to a strong intrusion into this hemisphere of outside controls and outside influence. We think these run counter to the idea as well as the basic understandings of the inter-American system. We are consulting closely with our friends in Latin America to determine with them what the appropriate steps and attitudes might be. Of course we can anticipate that there will be some differences of view. We are talking those over with various governments at the present time.

#### **U.S. Naval Task Force Off African Coast**

*Q. Mr. Secretary, could you give us a little of the background on the change of orders to the U.S. Naval Task Force off Africa and what channels the orders are executed through?*

A. Yes. I can not only give you the background; I can give you the exact facts on that. Some, I think, 2 weeks ago the presence of this small task force in the Congo waters was beginning to stir up some speculation. They had been there on a good-will visit as part of a long-scheduled visit to the west coast of Africa, but they had been called upon to undertake certain chores for the United Nations while they were in that vicinity. When their presence there gave rise to some questions, which we felt were unnecessary, the Secretary of Defense [Robert S.

<sup>3</sup> *Ibid.*, Feb. 27, 1961, p. 296.

McNamara] and I consulted and the task force resumed its earlier schedule to go down the west coast before heading north again. Then this week, or several days ago, the American Ambassador in Léopoldville [Clare H. Timberlake], faced with a situation in the Congo of fighting between U.N. and Congolese forces and himself carrying heavy responsibilities for American citizens involved, and considering the possibility that the U.N. itself might call for some assistance in this situation, requested the commander of the force to turn north. The commander, as was proper, got immediately in touch with Washington through his own command channels, which operate very quickly, and the Secretary of Defense and I again consulted and agreed that he should turn north. Then, after the situation in the Congo was clarified and we found that the situation was not deteriorating in the way that might have happened, given the circumstances in which the Ambassador found himself, the task force was ordered to resume its normal visit to the south.

*Q. The President yesterday said that in his message to Mr. Khrushchev he had emphasized the confidence that he placed in the Ambassador to Moscow [Llewellyn E. Thompson]. Was it the intention of this to emphasize to Mr. Khrushchev that it is now less necessary than before, perhaps, to consult in talks and negotiations direct with the President?*

A. I think the intention was just what appeared on the face of that remark. It is very important for other governments to understand that the American ambassador speaks with the full and clear authority of his own Government and, in our case, of the President as well, when he is negotiating with the other government. It is our hope that diplomatic channels can be used for serious discussion and negotiations from time to time. The position of the ambassador, and the demonstrated confidence of the President in our ambassador, is an important element in that situation.

*Q. Mr. Secretary, in that same connection, there has been a great deal of criticism in the past about the Secretary of State traveling too much. The criticism went to the fact that he had enough things to do back here in developing and formulating policy. Now you seem to have joined this itinerant group. Could you tell us what the com-*

*pulsions were on you that forced you to do this? (Laughter.)*

A. Well I suppose in your question you were quoting me.

*Q. Among others.*

A. I am not certain of that.

*Q. Yes.*

A. Well, this is, quite frankly, a problem. I personally have felt that my time can be spent to best advantage here in Washington, and I hope to make good on that over the years.

On the other hand, it was important for us to be in close and responsible touch with our SEATO allies in this forthcoming meeting in Bangkok. The psychology of the past led to an expectation that the ministers would be there. I think it will be a useful opportunity for us to review the role of SEATO, to think hard about its future, to confirm its commitments, and to give the foreign ministers a chance, among other things, to discuss how best we can conduct our business in such affairs for the future. I would not want to fall into, as I have indicated to you ladies and gentlemen before, a dogmatic position on this. I think that we are moving in the direction of conserving the Secretary of State's time for his main job. I am going straight to Bangkok and coming straight back, without any side trips on the way, because there is so much to be done here.

#### **Question of Admission of Red China to U.N.**

*Q. Mr. Secretary, there are mounting indications from Brazil and from countries within the British Commonwealth, and elsewhere, of a position on the admission of Red China to the United Nations which runs counter to our own. Can you tell us, sir, what the United States, the State Department in particular, is doing to face up to this situation?*

A. Well, we shall be consulting with these and other governments about this question in the weeks ahead. The problem of the China seat in the United Nations is governed by the moratorium which was adopted at the beginning of the 15th Assembly<sup>4</sup> and, presumably, lasts until the beginning of the 16th Assembly next autumn.

There is in this problem a very serious issue, of

<sup>4</sup> *Ibid.*, Oct. 31, 1960, p. 678.

course, not only politically but in terms of the structure and the organization of the U.N. If this matter is treated as purely a credentials question, as a question as to which delegation sits in a particular seat, and the effect of the action taken on that question would be to attempt to seat Peiping and to exclude Formosa, then we should have a very serious problem indeed.

On the other hand, the authorities in Peiping have made it clear over and over again that, if any recognition of any sort is given to the Government of the Republic of China on Formosa, they would not accept any solution that involved that result.

So this is a complex question. It has far-reaching ramifications which go far beyond the technical question of credentials, and it is one on which we shall have to be in constant consultation with other governments between now and next September.

*Q. Mr. Secretary, you said our policy is based with respect to Berlin on the freedom of the city of Berlin. But these same words have been used by the Soviets. Could you say will our policy also continue to be based on the occupation status of Berlin?*

A. Well, I thought I indicated that we expect to maintain our own position there. And I would not suppose that when I used the word "freedom" it means the same thing as that word means in the mouth of someone else.

*Q. Mr. Secretary, besides the big powers many of the smaller nations soon will have the capability of producing, and subsequently testing, atomic weapons. Are you taking this into consideration in the coming Geneva talks, and what provisions, if any, are you considering to include this into a full agreement that will be internationally acceptable?*

A. Well, it is our present hope that, if a satisfactory agreement can be concluded, other governments and nations will join the arrangements which will be established by such a treaty.

*Q. Mr. Secretary, at yesterday's press conference President Kennedy indicated that he thought boycotts were an improper way to handle the question of imports. And a couple of weeks ago the Japanese Government made representations about the proposed boycott that the Amalgamated Clothing Workers and the electrical union in*

*Chicago had scheduled for May 1. Has the State Department taken any action to forestall or in any way head off these proposed boycotts?*

A. There has been some discussion with representatives of the unions in regard to this matter. I thoroughly agree with and support the remarks made by the President yesterday. It greatly complicates the conduct of our foreign relations if private organizations take the conduct of foreign policy into their own hands on questions of this sort.

We have enormous foreign trade relations both on the export and the import side. The management of this foreign trade from a policy point of view in relation to governmental policy is complicated and delicate. It greatly impairs the effectiveness of our discussions abroad in opening up opportunities for American trade if on particular items private groups make it difficult for us to accept other people's trade here in this country.

*Q. Mr. Secretary, you are now on record as saying that you favor a strengthening of conventional forces.<sup>5</sup> Would you discuss with us your reasoning for thinking this, and especially in relation to the question of relying on nuclear weapons?*

A. Well, those are questions which, as certain recent publicity clearly brought out, are under discussion in the higher circles of the Government. I don't believe that now is the appropriate time, in advance of programs which will be submitted to Congress and discussions which will be undertaken, for me to get into questions of strategy on issues of that sort.

#### **Nuclear Weapons Testing and Disarmament**

*Q. Mr. Secretary, in relation to the nuclear weapons testing, there have been indications of reaching a common policy with our British allies that there might be a new approach. Could you discuss this? Is there a new approach, or are we going to be back on the same old wicket?*

A. Well, we, under the leadership of Mr. [John J.] McCloy and Mr. Arthur Dean, have been reviewing the entire position on this. We want to get a treaty which provides a good basis for an international understanding and agreement, if there is a serious purpose among all those at the table. We also want an agreement which

<sup>5</sup> *Ibid.*, Mar. 20, 1961, p. 399.



is consistent with our security. I do believe that if all three of these governments come to the table seriously determined to get an agreement, then an agreement can be reached.

I would not want to get into the question of what modifications and earlier positions might be acceptable. Obviously, when you are in a negotiating situation, those are questions which you keep to yourself if you gentlemen will let us.

*Q. Mr. Secretary, has this administration given any thought to the possibility of a resumption of the Disarmament Committee talks in Geneva?*

A. That is now being discussed in New York. We ourselves will be attending to the problem of general disarmament, reduction in arms, and arms control, as soon as we get our nuclear test positions launched and under way.

This is a very serious range of problems of great magnitude and complexity. Part of the problem will be in which forums it will be most advantageous to take up which kinds of questions. Undoubtedly a commission could have its use, a discussion in the United Nations could have its use, a diplomatic negotiation could have its use. I would not want to get specifically into that problem of the kind of commissions today.

#### **Situation in Laos**

*Q. Mr. Secretary, the Communist buildup of arms in Laos has continued unabated, while efforts to reach a political solution or to neutralize the country have broken down. Can you say what efforts the United States—what new efforts the United States—might be making in behalf of reaching our objectives there?*

A. Well, the situation in Laos is at the moment in a state of negotiation rather than stalemate. There seems to be formal agreement among the governments concerned that a neutral and independent Laos is the end result. The problem is whether all those who agree that this is the objective would describe that result in the same way or think about it in the same way.

The second problem is, assuming agreement, how do you get there, how do you get there specifically on the ground, in Laos? What does that mean in terms of the people, the forces, the parties in that country?

Now, I believe the tickers today indicated that

General Phoumi is down in Phnom Penh, having a talk with Mr. Souvanna Phouma. One of the possibilities, of course, is that, with a broadened government in Laos, a sounder basis could be laid for the kind of neutral country which will be accepted by the Laotians themselves, with general approval, as well as accepted by the peoples of southeast Asia and indeed peoples to the north.

We are of course very much concerned about the Communist buildup—the Soviet supply which has been going in there. That has been substantial. But we hope that we can find a basis on which both sides can agree. The problem in Laos is not for one or the other side to try to seize it, nor for two sides in the so-called cold war to try to divide it, but to let the Laotian people themselves follow their own inclinations and their own announced purposes and have a country which is not committed or allied to either side—which both sides would leave alone, to live in peace.

*Q. Mr. Secretary, not too many months ago an American spokesman said that President [Kwame] Nkrumah of Ghana had moved into the Soviet camp, because he made a speech supporting a Soviet move up at the U.N. Now, Mr. Nkrumah was greeted very handsomely here yesterday, and President Kennedy said some very enthusiastic things about him.\* Could you say whether this view, if it ever existed in the State Department, has now been changed, and whether we regard Mr. Nkrumah in a far more friendly light?*

A. One of the problems in a change of administration is to know what to do about questions about those who came before us. I don't believe that there is any profit in trying to compare or contrast here. We start from where we are.

We had a most interesting and fruitful visit with President Nkrumah. He has made some proposals to the United Nations about the Congo which have in them some very constructive elements and points. We were happy he came out very strongly indeed for a United Nations effort in the Congo at a time when support for the United Nations is very important. I think his visit yesterday was helpful, productive, very much worthwhile, and that both the two Presidents felt that it had been exceedingly profitable.

\* See p. 445.



## Promoting the Development of Latin America

*Q. Mr. Secretary, about Latin America: I don't believe anyone fairly expected you gentlemen to settle the problems of Latin America in 2 months. But I don't believe they expected either that they would go to pot in 2 months down there. And there are some signs that the thing is pulling apart. Without taking advantage of the golden opportunity to beat the President to the story Monday, I wonder if you could give us some of your viewpoints on how you think this problem ought to be met, such situations as have developed in Argentina, where apparently we were out of communication with them on what we were thinking and what they were thinking, and situations in Brazil, where the reports say Mr. [Adolf A.] Berle got a very unhappy reception.*

A. Those reports of Mr. Berle's reception, by the way, are either inaccurate or greatly exaggerated. His talk with President [Janio] Quadros was very friendly, cordial, and extremely useful.

I would not of course want to anticipate the remarks to be made by the President next Monday. I think a number of things have been said about Latin America which are relevant. I don't think I need just to repeat those here.

But we do feel that the governments of Latin America must themselves do everything possible to enlist the interest and support and loyalties and the enthusiasm of their own people in the great tasks of economic, social, and educational growth in those countries. And that these are the areas in which the critical contests in the years ahead are going to occur. And that in this type of development the United States can play a very useful and key role, by assistance at critical points, in which we will ourselves get abreast of and become a part of the changes which are clearly on the way in that continent, and ally ourselves with these changes and not attempt to thwart them or to let peoples in that area believe that we are disinterested in them.

*Q. Mr. Secretary, what is the situation about the negotiations which we have been having with the British Government on the Proteus polaris base in Scotland? I understand there is one outstanding item which has precluded this from being signed. Can you tell us what it is?*

A. Well, there are some discussions going on, having to do with the specific arrangements and

perhaps, I will say, the legal and technical problems. But there is no problem whatever about the joint action of the two Governments in establishing arrangements which are important to the defense of the free world.

We have been pleased that there has not been more difficulty there, as far as demonstrations and public reactions are concerned. We of course can understand and sympathize with the deep concern of people in our own and other countries about nuclear weapons and problems of nuclear warfare. This is a human concern, and indeed I think the Governments themselves are just as deeply concerned about the same problem. These are related to the problems of security and defense, the security of free institutions. And we hope that we can make some real headway in reducing the threat that comes from such weapons hanging over the human race. But the arrangements with the British Government are in good order on this question.

*Q. Going back to Berlin for a minute. As you know, they are still using the DC-3's to fly into Berlin. It's a very uneconomical plane and it's very inconvenient, and I wondered if the administration considered asserting our airpower services' right to fly them in there at an optimum altitude or if we are going to continue to let the Russians name our altitude for us?*

A. I have not personally looked into that question in the last—well, since I have taken office, in terms of the planes. I am among many Americans who rise promptly to the defense of the DC-3 under any circumstances. But on the point you raised, I frankly am not prepared today.

*Q. Mr. Secretary, recently the United States has concluded a revised economic aid agreement with Korea which aroused some controversies there. The American position, I believe, was that the hostilities period had ended and there was no longer a need for special concessions to Korea, that the agreement should be similar to those agreements that we have around the world. Taking up that point, the Korean Government at present is urging the United States to apply the same reasoning to the status-of-forces agreement and conclude one governing U.S. forces there. Can you state your position on that, sir?*

A. I am discussing my position on that with Secretary McNamara at the present time, and I

think I had best postpone any public statement until he and I have discussed it fully.

*Q. Mr. Secretary, there have been several reports from London that this Government has been notified by Britain that, if the question of admission of Communist China does come to a vote in the United Nations, Britain will vote for the admission. Have we been so notified?*

A. I am not aware of any official notification.

*Q. Mr. Secretary, according to some reports, sir, the present administration does not subscribe to Mr. Herter's proposal he made at the NATO meeting last December,<sup>7</sup> aimed at furnishing NATO with an independent nuclear force. Can you explain, sir, to us what is the situation?*

A. Well, I have seen some speculation on that point. This is one of the questions, among many, which is being discussed within Government now in connection with the group which has come to be known as the Acheson group. Those discussions are moving along very well, and we hope to get some conclusions on that in the very near future, indeed. Incidentally I should say that it's not anticipated that there will be an Acheson report. Mr. [Dean] Acheson is working with us as a distinguished citizen, a former Secretary of State, who is working with us in Government, while we are shaping up our own policy attitudes and proposals in the NATO field. So that we do not expect that there will be a formal Acheson report. He is helping us to develop our normal governmental views within the Department.

*Q. Mr. Secretary, there is one more point I'd like to clear up on Berlin, looking forward to writing a story on this. (Laughter.) You say that we intend to maintain our own position there. What do you mean? Forever, or until the situation is settled when you eliminate any responsibility for previous actions of the administration? I'd like to get a cutoff point on this. How long do you intend to maintain your position there? (Laughter.)*

A. I think it was Mr. John D. Rockefeller, Sr., who once said forever was a very long time. I wouldn't know, quite frankly, how to answer that question. This is a question for the future, frankly. There is no doubt whatever about the

present position of the West in Berlin and of the West's attitude toward the rights and security of the people of Berlin.

*Q. Mr. Secretary, this relates to the dollar balance in a peoples-to-peoples relationship. There seems to be a growing feeling among Americans planning vacation trips that it might be unpatriotic to visit a foreign country. Do you feel that? (Laughter.)*

A. No.

*Q. Mr. Secretary, with the rejection of the efforts by the Kennedy administration to secure the admission of newsmen into Red China, do we have a starting point with them now for further talks, or how do you regard that situation, please?*

A. Well, quite frankly, we were disappointed that the talks yesterday, the day before, did not show any prospect of opening up that question. We observed, however, that the general tenor of the talks was civil, that the raising of this question did not seem to create a great disturbance. And we shall certainly return to it because we believe that it would be important for American newsmen to get over there and to let some of their news people get over here on a reciprocal basis.

*Q. Mr. Secretary, could you say something about the American prisoners while you are on that subject?*

A. There was no advance whatever on that, no.

#### The German Question

*Q. If you reject the word "forever" in terms of Berlin, do you accept "indefinitely" in the sense that it is the American position that we will maintain our position in Berlin indefinitely?*

A. This term is on the settlement of what's called the German question in its whole context, in its broadest terms. This is not something which can be tied, I think, to a calendar, nor can it be the subject of prediction. The German question is an important one, a central one. It's going to take time. How much time, who can say? But if anyone has in mind that we are thinking about or considering yielding the rights of the West in Berlin or the rights of the people in Berlin in any compromise or in any surrender, they should revise their thinking because that just isn't the case.

*Q. Mr. Secretary, I think what was in the minds*

<sup>7</sup> For background, see paragraph 7 of the final communiqué, BULLETIN of Jan. 9, 1961, p. 40.

of some of us was that in the previous negotiations there was some consideration given, some talk more or less on the record, about a possible reduction in the number of forces there. Also in the minds of some of us is the fact that the policy in the past insofar as Berlin is concerned has generally looked toward some plan for unifying Germany or making some kind of present settlement in Germany. Is there anything further you could say on this matter in relation to those specific points?

A. I think that the question is under study. I think these are questions on which I should defer.

Q. On Germany again, Mr. [Heinrich] von Brentano [German Foreign Minister] made a statement where it was reported that as far as he was concerned the question of the seized assets is not yet settled and that he had some talks here

that would, at least he indicated might, lead him to believe that this problem would be continuing until settled more in line with what he had wanted. Could you comment on this? Have we planned to renegotiate an agreement that the Germans have made and return these assets?

A. Well, I would not wish to comment on Mr. von Brentano's remarks. I haven't seen them, actually. But we are continuing our discussions, as we earlier indicated, on the two questions of the dollar balances as a multilateral problem in which Germany has perhaps a special role at the present time, as well as both multilateral and bilateral discussions on the question of aid and assistance which the West can give to underdeveloped countries.<sup>8</sup> I would not want to go beyond that, in commenting on the Foreign Minister's statement, until I have had a chance to see it.

## United States Foreign Policy in a Period of Change

*Following is the transcript of an interview filmed at Washington on March 3 between Secretary Rusk and Robert Kee of the British Broadcasting Corporation and televised over the BBC network on March 6.*

Press release 111 dated March 6

Mr. Kee: Mr. Secretary, as I'm sure you will have heard by now, it's been said that your appointment just over 2 months ago to the post of Secretary of State set off a puzzled reaching for reference books all over the world to find out just who you were. Now, although, of course, you occupied a post in the State Department under the Truman administration and since then you've been president of the Rockefeller Foundation, I wonder has this projection from a position of relative obscurity to one of the most important posts in the world filled you with trepidation or anxiety at all?

Secretary Rusk: Well, Mr. Kee, it's a very sobering responsibility, of course, but one has to do what one is asked to do in the world in which we live. If there are those—and I'm sure there are many in different parts of the world—who are

somewhat surprised by my appointment, I can say that I was too.

Q. You are, of course, now the head of a team of individuals, some of whom, like Mr. Harriman and Mr. Stevenson and Mr. Chester Bowles, are all for the moment much better known in the world than yourself. Do you find this inhibits you at all?

A. No, the Secretary of State, by tradition, law, and by the confidence of the President, has the responsibility for giving leadership to the formulation of our foreign policy. The Secretary is the principal adviser to the President on foreign policy, and the Department of State is his principal arm in foreign policy.

Q. Well, now, however, do you see yourself as taking the initiative in having ideas for foreign policy, or is it really the President's role to do that?

A. Initiative should be taken by all who can come up with ideas—the President, the Secretary

<sup>8</sup> *Ibid.*, Mar. 13, 1961, p. 369.



of State, and all of his colleagues. We live in a world situation which is marked by the most far-reaching and revolutionary change. It requires new ideas and many of them—fresh approaches and imagination. There is plenty of room for ideas and imagination from any source.

*Q. Well, now, we've heard a great deal about this "new frontier" that's represented by the new administration. Do you think it's really possible for there to be a new frontier in foreign policy when the whole world is imprisoned in this stalemate of the cold war?*

A. I don't believe that the world situation is properly called a "stalemate." Indeed, we are in a period of great change.

*Q. In what way?*

A. We are witnessing at the present time the disintegration of older political forms, among them colonial empires. We are seeing coming into being international organizations, both regional and worldwide, at almost a breathtaking pace, whether one is thinking of the Common Market or the United Nations or the discussion of a Central American common market or SEATO [Southeast Asia Treaty Organization] or the Colombo Plan or any of the hundreds of international organizations who are meeting right around the year.

*Q. Yes, but now these are all surely marginal areas, whereas the real issue is the one whether we can live in peace with the Communist powers. Is there any room for fresh thinking there?*

A. Well, this problem of peace is affected by what's going on with the rest of these things. One speaks in this country, I suppose in yours, of the revolution of rising expectations, another powerful force toward change. The Communist bloc has entered this world of change in these recent years with great new energy, and, I must say, some considerable skill and sophistication.

Peace is not a bilateral relationship between Washington and Moscow or, indeed, between the West and Moscow. Peace is going to be worked out in relation to these changes that are going on. I would not say "stalemate" at all.

#### **Protection of Berlin**

*Q. Now, you criticized the previous United States administration because you said that it*

*tended to wait for a crisis to arise before formulating a policy to deal with it. Now, how would you deal with a new crisis that might arise over the old problem of Berlin, for instance?*

A. Well, there are some questions which just because they're old do not necessarily require new treatment. The people of Berlin want to be free. They have been free in a viable city since the end of the war. I think that that is the central problem in Berlin, and we and our friends in the West are determined that the Berliners will remain free.

*Q. Would you consider a free, demilitarized city of Berlin, in the way in which there was a free city of Danzig before the war, a possible solution?*

A. Well, I would not want, at this early stage of the new administration, to get into many alternatives that are going to be proposed over the months or years ahead from many quarters. The central thing is the freedom, the protection of the city of Berlin, and I think there is no doubt that the West is determined to see that that occurs.

*Q. Do you think it's foreseeably possible that we might one day be able to have some sort of disengagement in Europe or even a complete withdrawal of conventional forces? That is to say, provided the Russians did the same, of course?*

A. Well, I doubt very much that peace is going to come about by a general formula. Peace is a matter of hard work, detailed negotiation, application to specific problems to determine whether on specific issues, small as well as large, there is any possibility for any constructive arrangement.

Now, on such a question as disarmament there has never been any doubt about the willingness or readiness of a democracy to disarm. The historical record of this question is that democracies will disarm at the least pretext. One of our problems since World War I has been that the people in the world who are committed to peace have not been strong enough to deter the aggressor.

*Q. Yes, but now surely we feel confident that with our nuclear power we have got a real deterrent. What, then, is the case for maintaining conventional forces in Europe?*

A. Well, the problems which are likely to arise and have arisen in the past are problems which



require great flexibility of means. I think it is the flexibility of means that's important.

#### **The Problem of Formosa**

*Q. If we can turn from Europe then and take another very old problem, the problem of Formosa, do you think it's possible for there to be fresh thinking there?*

A. Well, if you mean Formosa itself, the United States has very specific commitments to the Government on Formosa and to the security of that island.

*Q. When you say "the Government on Formosa," what about the Formosan people themselves? Do you distinguish them from the Government on Formosa?*

A. No. That is, we think of the Government and people on the island of Formosa. Those commitments stand, and there is no question about them.

If you also mean the authorities on the mainland—Peiping—we have seen no indication of any fresh thinking on their side that has any bearing upon anything like normal relations. They have continued a most vituperative campaign against the United States and against Americans. They have shown themselves to be the most aggressive leader apparently of the Communist bloc in the doctrinal discussions between Peiping and Moscow. They have insisted that no normal relations are possible unless the rest of us all yield Formosa to them. So I would suppose that the prospects for normal relations are not very bright.

*Q. Now, some years ago you yourself said that you thought that Chiang Kai-shek represented more authentically the people of the mainland of China than the Peking regime. Have you had any fresh thinking since then?*

A. I think, if I recall that statement correctly, that I was referring to the Government in Formosa at that time, and, of course, the United States Government recognized that Government at that time as the Government of China.

*Q. It still does, doesn't it?*

A. Of course it does. And more than that, the leadership from the mainland, not just Government officials but their professors, their scholars, their scientists, their artists, that came over there,

were to us and are a much more genuine representation of the China that we have known and the great traditions of China than what appeared on the mainland at that time.

*Q. So you would still say that Chiang Kai-shek's government is an authentic representative of the people of China?*

A. I'm talking in this context about the great cultural heritage of China. I think you would find a more direct expression of that in Formosa than you would in another regime.

*Q. Would you say that there is any danger of a United States administration's policy being cramped by the need to maintain certain conventional, prefixed, traditional attitudes at home?*

A. Well, I don't quite know what one means by "cramped" in this condition. A government, particularly a government in a democratic society such as yours or ours, is to a very considerable degree responsive to the attitude and general orientation of its own people. For example, there is a very simple notion that most Americans, almost all Americans, really believe. This is the notion that governments derive their just powers from the consent of the governed. That helps to explain our instinctive reaction toward colonialism. That helps to explain our concern about the situation of the countries in Eastern Europe, why we instinctively find ourselves working most closely with other democratic societies, why we are worried about some of our own failures in our own society to live up to our own ideals.

Now, of course, there are great streams of policy like that which are guidelines for any government regardless of its party orientation.

#### **Relationships With New African Nations**

*Q. On the subject of colonialism which you mentioned just now, perhaps we could turn to Africa. President Kennedy has come out very strongly supporting Mr. Mennen Williams' [Assistant Secretary for African Affairs] statement about Africa being for the Africans. Now, do you think the previous administration was perhaps a little insufficiently categorical in backing such a view?*

A. Well, if I could go back to the remarks that I have just made, I think that one of the fresh

approaches which the new administration can make is to take a look at some of these revolutionary changes and try to decide what our relation to these changes ought to be.

Now, to a considerable extent you and we in the West should be thinking about how we can regain the leadership of our own revolutions— independence. I mean, if you walk into the General Assembly of the United Nations, you will see sitting there more than 20 independent members who used to be a part of the British Empire. You people—beginning with the United States, of course—you people carried notions of freedom with you wherever you went. You couldn't help it.

Well, now, we in the West have tended to lose the leadership of our own revolutions for economic and social progress, for national independence, for freedom itself, for constitutional government. And you have the curious phenomenon that Mr. Khrushchev stands up in the General Assembly proposing that he is the leader of the nationalist revolution, that he is the champion of national independence—Mr. Khrushchev, who never gave away anything. And he makes some headway with this notion at the expense of you and us, who invented this idea.

*Q. Do you therefore think that governments such as, for instance, the South African Government and even the Portuguese Government in Africa are prejudicing the cause of the West?*

A. Well, I believe that it is important for us in the West to come to a right and reliable relationship with people in the non-West and that the whites come to a right and permanent relationship with people of other colors. I think that everyone has a great admiration for the way that you people have been able to work out national independence on the one side followed by close, friendly relationships with those same peoples after the divorce has occurred. This is a remarkable performance.

*Q. What would you say is the most important lesson we must learn from the Congo?*

A. That the road to independence must be planned with care, that leadership should be trained along the way, that a cadre of responsibility must be in place in order to take responsibility effectively, and that, when areas of this sort go through this painful, sometimes traumatic

experience, the rest of us should be careful not to embroil these areas in the great, tumultuous rivalries that are going on in other parts of the world if we can avoid it.

#### **Nuclear Disarmament**

*Q. If we could leave Africa now and return to the general scene, you said on the subject of neutrals that, unlike others who have been concerned with United States foreign policy, you don't necessarily think that those who are not for you are against you.*

A. I have said that.

*Q. Well, now, there are, as you know, people in Britain today—a minority, I think, but quite a strong minority—who are not anti-American but who nevertheless think that the best way to reduce general tension in the world between the two big powers and to arrive at general disarmament would be for Britain to disarm as a nuclear power unilaterally. Now, what effect do you think that would in fact have on world tension?*

A. Well, I think this question tends to get turned around. When one says "neutral," it's important to know what it is we're neutral about. We hope very much that all governments and all peoples will commit themselves firmly and strongly to, say, the principles that appear in the preamble and articles 1 and 2 of the United Nations Charter.

*Q. Yes, but then these—*

A. That is, neutrality is not indifference. Now, my remark which you quoted was directed to the notion that we do not insist on an alliance or a commitment to us as a price for our friendship or our support or interest. That's all that I had in mind there.

On the second part of your question, it might be worth noting that very few of the problems between Washington and Moscow are bilateral problems between the United States and the Soviet Union. If we have our problems with them, it is because of the anxiety which we and others have about what they might do to people somewhere else—Western Europe, Middle East, South Asia, Southeast Asia, wherever. Now, if these areas were strong, independent, free, leading their

own lives, and with a sense of security, the tensions between Washington and Moscow would drop very fast indeed.

*Q. But, of course, they would have that security from the American deterrent, wouldn't they?*

A. That is one of the purposes of the American deterrent.

*Q. But, then, what is the case for these nations becoming nuclear powers themselves?*

A. Well, that is a rather involved question that I wouldn't like to get into at this time. I think that there is considerable danger in a wide distribution of national nuclear power, because it greatly increases the chance of mishap or accident or misuse.

*Q. But you wouldn't agree with the unilateralists that unilateralist nuclear disarmament by Britain is likely to lead to general disarmament?*

A. Well, I wouldn't want to comment on the specific point of unilateral nuclear disarmament on the part of Britain or any other particular country. I'm just saying that in general the attempt of any nation to pull out of this problem as though it were not directly concerned would miss the main point, because the security of these areas is at least a primary problem between Washington and Moscow.

#### **Hopes for Agreement With Soviets**

*Q. Do you think there are hopes of perhaps reaching some progress with disarmament?*

A. We hope so. And we expect to approach that question very seriously. As you know, we're going into the nuclear test talks on March 21. We shall do our best to reach an agreement, and after that, after those talks, we will, of course, be getting into the problems of more general disarmament. These are very complex questions, and the negotiations will be undoubtedly difficult, but we should like to see some progress made.

I think all of us would agree that the burden of armament in the world today is a burden which we could be without. I think also we're interested in not letting the arms race spread into areas where it has not been before, and if some way could be found to help the newly independent countries to avoid an arms race among themselves

so that their resources could be used for their own economic and social development rather than for such other purposes, they would be much better off and so would the rest of us.

*Q. Do you think there is a chance of getting the Russians into some agreement to stop that happening?*

A. We don't know. We don't know.

*Q. Your own record as being rather against the idea of what's been called "summitry," now, does that stand?*

A. Well, as a private citizen I did express some views on this subject. I felt, thinking of it as an American, that the noticeable American reluctance to get into summit diplomacy over the years is, from the American point of view, sound.

Under our constitutional system it is not easy for our President to be away a great deal of the time, and under our system of government there are problems in his relations with the Congress and in the way in which we dispose of our matters here at home which require him to be at his post most of the time.

Also, again as a private citizen, I pointed out that over the past the record of summit diplomacy is not necessarily encouraging. I, being somewhat old-fashioned in these matters, feel traditional diplomacy should be used a great deal but that we should not give up any means for settling disputes, that we should not abandon any technique, that we should keep ourselves flexible, so that any of us who are carrying public responsibility can do what has to be done to get on with the main job, which is to maintain peace.

*Q. One last question, Mr. Secretary. Do you believe that the Russians really believe in coexistence?*

A. Well, there are many words on which you would need perhaps a bilateral glossary as between the free peoples and the Communists. "Freedom" is one. "Peace" is one. Perhaps "coexistence" is one. I think that there have been times when they seem to be quite convinced that coexistence, as we might understand it, is possible. But when one reads declarations such as the recent declaration of the Communist summit about Communist purposes or Mr. Khrushchev's speech on January 6th, one wonders if we're not



back to the problem of definition and understanding.

I wouldn't want to be categorical about such an important concept as this. We intend, on our own side, and I'm sure that you people do yourselves—we intend to work earnestly, with care, with imagination, to find out whether coexistence is possible.

*Q. Thank you very much, Mr. Secretary.*

*A. Thank you.*

## Presidents of U.S. and Yugoslavia Exchange Greetings

White House press release dated March 4

*The White House on March 4 released the following exchange of messages between President Kennedy and Marshal Josip Broz Tito, President of the Federal People's Republic of Yugoslavia.*

### President Kennedy to Marshal Tito

FEBRUARY 25, 1961

DEAR MR. PRESIDENT: I wish to acknowledge belatedly the congratulations and the good wishes conveyed in your message of January 20 on the occasion of my inauguration as President of the United States. I deeply appreciate your message.

I share fully your confidence in the continuing favorable development of relations between our two countries and your recognition of the need for the utmost efforts to solve by peaceful means the critical problems facing the world.

Sincerely,

JOHN F. KENNEDY

His Excellency  
Marshal Josip Broz Tito,  
President of the Federal People's Republic of  
Yugoslavia,  
Belgrade.

### Marshal Tito to President Kennedy

JANUARY 20, 1961

His Excellency JOHN F. KENNEDY  
President of the United States of America

On the occasion of your inauguration I am addressing to you, Mr. President, on behalf of the peoples of Yugo-

slavia and in my own name my sincere congratulations and best wishes for success of your work.

I trust that your personal efforts in the present complex and serious situation will contribute to the improvement of the international relations and the peaceful solution of the burning world problems.

I am confident that the relations between our two countries shall further develop towards deepening of mutual respect, understanding and cooperation.

JOSIP BROZ TITO

## President Asks for Wider Discretion on Aid to Eastern Europe

*The White House on March 7 made public the following letter from President Kennedy to Vice President Johnson. An identical letter was sent to Sam Rayburn, Speaker of the House of Representatives.*

White House press release dated March 7

FEBRUARY 21, 1961

DEAR MR. PRESIDENT: In the State of the Union address<sup>1</sup> I asked the Congress for increased discretion to use economic tools as an aid in re-establishing our historic ties of friendship with the people of Eastern Europe.

I urge the Congress to take early action on legislation to accomplish this purpose. Such legislation—along the lines of the amendment to the Mutual Defense Assistance Control Act of 1951 which was passed by the Senate on September 12, 1959—accompanies this letter.

Sincerely,

JOHN F. KENNEDY

Honorable LYNDON B. JOHNSON  
President of the Senate  
United States Senate  
Washington, D.C.

### A BILL

To amend the Mutual Defense Assistance Control Act of 1951.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of title I of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611a) is amended to read as follows:*

"SEC. 102. Responsibility for giving effect to the purposes of this Act shall be vested in the Secretary of State

<sup>1</sup> BULLETIN of Feb. 13, 1961, p. 207.



or such other officer as the President may designate, hereinafter referred to as the 'Administrator'."

SEC. 2. Section 303 of title III of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1613b) is amended to read as follows:

"SEC. 303. (a) This Act shall not be deemed to prohibit furnishing economic and financial assistance to any nation or area, except the Union of Soviet Socialist Republics and Communist-held areas of the Far East, whenever the President determines that such assistance is important to the security of the United States: *Provided*, That, after termination of assistance to any nation as provided in sections 103(b) and 203 of this Act, assistance shall be resumed to such nation only in accordance with section 104 of this Act. The President shall immediately report any determination made pursuant to this subsection with reasons therefor to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

"(b) The Administrator may, notwithstanding the requirements of the first proviso of section 103(b) of this Act, direct the continuance of assistance to a country which knowingly permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials to any nation or area receiving economic or financial assistance pursuant to a determination made under section 303(a) of this Act."

## Letters of Credence

### Tunisia

The newly appointed Ambassador of Tunisia, Habib Bourguiba, Jr., presented his credentials to President Kennedy on March 10. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 124 dated March 10.

## Ambassador Harriman Visits Iran

Press release 131 dated March 11

The Department of State announced on March 11 that Ambassador at Large W. Averell Harriman has accepted the personal invitation of His Majesty the Shah of Iran to visit Tehran following the Ambassador's current European trip. Ambassador Harriman expects to be in Tehran from March 12 to March 15.

The Ambassador's visit will afford an opportunity for a friendly exchange of views with regard to matters of mutual interest to the two countries. The Shah and Ambassador Harriman have been close friends since 1951, when the Ambassador undertook a special mission to Iran.

March 27, 1961

586919-61-3

## President Kennedy Holds Talks With President of Ghana

*On March 8 President Kwame Nkrumah of Ghana made an informal visit to Washington at the invitation of President Kennedy. Following are an exchange of remarks made upon Mr. Nkrumah's arrival, the text of a joint communique issued following the meeting between the two Presidents, and remarks made when President Kennedy introduced President Nkrumah to news correspondents at the White House.*

### WELCOMING REMARKS

White House press release dated March 8

#### President Kennedy

I want to take this opportunity to welcome again to the United States, which he knows so well, the first citizen of Ghana, President Nkrumah.

Yesterday, in his speech at the United Nations, he quoted a common hero, I believe, Thomas Jefferson. Thomas Jefferson also once said, "The disease of liberty is catching."

It has been the object of our guest's life to make sure that that disease of liberty spreads around the globe. He has fought for it in his own country. He fights for it in Africa—he fights for it in the world.

We share the same basic aspiration for the United States as he works for his own country. We share the same basic aspiration for Africa that he wishes for—and for the world.

It is therefore a great honor and a great pleasure for me, as President of the United States, to welcome a distinguished citizen of a friendly country and also a distinguished citizen of the world, the President of Ghana, President Nkrumah.

#### President Nkrumah

Mr. President, as this is our first meeting since your assumption of responsibility as President of the United States, may I be permitted to offer you my personal and hearty congratulations and those of the Government and people of Ghana. We all look forward to a period of continued cooperation and understanding between our two countries.

I hope that our meeting today will strengthen our relations and contribute toward the establishment of lasting peace and stability in Africa and in the world.

These are troublous times. They are also times of opportunity for action. Let us, therefore, emphasize and consolidate the very many things that unite us and from that starting point tackle the problems which confront us in our time. I am sure, Mr. President, that success will crown our efforts.

I thank you and the people of the United States for the warm welcome that has been accorded to me.

### JOINT COMMUNIQUE

White House press release dated March 8

President John F. Kennedy and President Kwame Nkrumah exchanged views this afternoon regarding the general situation in Africa as well as various aspects of current relations between the United States and the Republic of Ghana.

The two Presidents reviewed economic and political problems of common interest and reaffirmed their desire to work together toward increasing the existing fund of respect and good will shared by the Governments and peoples of Ghana and the United States. The importance of mutual confidence and understanding was emphasized by the two Presidents.

The two Presidents recognized the central importance of the role of the United Nations in Africa and the importance of the African countries and their leaders working together for the peaceful development of that great continent. In particular, they are convinced of the need for unflinching and genuine support, both moral and material, of United Nations efforts to bring peace to the people of the Congo and to promote peace and stability in the continent as a whole. They also agreed that the nations of Africa should be supported in the development of their natural resources so as to benefit the continent as a whole and provide a promising future for their peoples in full and unfettered freedom.

Both expressed gratification at this opportunity occasioned by Dr. Nkrumah's visit to the United Nations, for this informal meeting.

### INTRODUCTION OF MR. NKRUMAH

White House press release dated March 8

#### Remarks by President Kennedy

I know that all of you are anxious to speak to the President, and I will release him immediately.

I do want to say that the communique is going to go out very shortly, as soon as we can get some copies of it, which will be available to you all, which covers the main points which we wanted to mention.

I just want to say, speaking personally, that we have had a most fruitful talk. I think it's most helpful. We have a very high regard for the President. As I said at the airport, it is a great source of pride to us as Americans that he studied here in the United States, that he knows our country well, that he spent over 10 years of his life here. I think he knows the traditions of our country, and I am sure he knows its aspirations; and I am sure that he knows that we wish for him and for his country the best of good fortune and speedy and swift progress toward a constantly improving standard of living, that we mean to do our part in cooperation with his efforts.

In addition, I emphasized to him that we are anxious for peace in Africa so that the people of Africa can develop their resources. We are anxious also to see the people of Africa living in freedom. This has been a long tradition of this country, stretching back to our earliest beginnings. We ourselves are a revolutionary people, and we want to see for other people what we have been able to gain for ourselves.

So we have been honored to have the President here, and we regard him as a strong figure in his own country and as a strong figure in Africa; and therefore this exchange of views has been most helpful to this administration. And I am sure he realizes how welcome he is, and it was a great pleasure for me to have an opportunity to introduce him to Mrs. Kennedy and to my daughter. He has young children who are younger than mine, so that it shows how vital Africa is.

#### Remarks by President Nkrumah

May I add this, that meeting you has been a wonderful experience for me, and I really mean that. Thank you.

## The United Nations' Capacity To Act

by Harlan Cleveland<sup>1</sup>

The most striking thing about the United Nations, and the most hopeful for the future of an organized world community, is that the United Nations has developed a large and rapidly growing capacity to act. It has demonstrated that an international organization can in fact mobilize funds and people for economic development, that it can in fact supervise the administration of dependent areas, that it can in fact put together a military force and a group of civilian administrators to bring a modicum of order and security where there might otherwise be civil war and communal rioting.

Each time the Organization takes on a new and bigger task the skeptics wonder if it can survive the test. If the World Bank had tackled the Indus project 10 years ago, it might have failed. If the United Nations had tackled the Congo or even the Gaza Strip 10 years ago, it is doubtful that it had the executive leadership or could have developed the executive energy to carry it off. Ten years ago, indeed, the only way the United Nations could act was by delegating the executive side of the job to one or a group of its members—as the Security Council did in setting up a defense force for Korea under American military leadership.

But now, after smaller political and military tryouts in several parts of the Middle East, the community of nations has come face to face in the Congo with the question whether it can develop and maintain a truly international operation—whether it can make internationalism operational. It is a big operation—18,000 troops and perhaps eventually 25,000, several hundred civilian administrators, scheduled to cost at least \$135 million this year.

It would have been more orderly to proceed from the Gaza Strip to the Congo in smaller steps, developing more gradually the United Nations' military and administrative capability for field operations, instead of having to put together so

<sup>1</sup> Address made before the 11th annual conference of national organizations, sponsored by the American Association for the United Nations, at Washington, D.C., on Mar. 12 (press release 129 dated Mar. 11). Mr. Cleveland is Assistant Secretary for International Organization Affairs.

### Need for Public Understanding of U. N. Stressed by President Kennedy

*The following is the text of a message from President Kennedy to Mrs. Franklin D. Roosevelt, chairman of the Board of Directors, and Herman W. Steinkraus, president, of the American Association for the United Nations.*

MARCH 12, 1961

DEAR MRS. ROOSEVELT AND MR. STEINKRAUS: The opening on March seventh of the General Assembly has again focused attention on those crises in the world which, if unresolved, can only invite conflict. The United Nations offers by far our best channel for finding reasonable and just solutions to them. Never has there been a greater need for the people of this country, and indeed for those of all the members of the United Nations, to understand these critical issues. The United Nations must succeed because the alternative is the abandonment of the principle of a world governed by law to a world dominated by force.

The Eleventh Conference of National Organizations on the United Nations, which is taking place under the sponsorship of the American Association for the United Nations, has a vital task in helping to project the urgent need for strong and vigorous public understanding and support of our participation in the United Nations. In this effort, you have my full encouragement.

Sincerely,

JOHN F. KENNEDY

large a field organization in one giant executive stride. It is a tribute to the nations who have served on the Security Council that they not only made it possible to start in the Congo but they continued and strengthened the mandate when the going got rough last month.<sup>2</sup>

It is a tribute above all to the imagination and pertinacity of Dag Hammarskjöld that he did not shrink from this opportunity to show that an international organization can act as well as talk. Even the Soviets found a backhanded way to express their admiration: In their impugning attack on the office of the Secretary-General they said they would refuse to "recognize" him, unconsciously using about a secretariat official the language usually reserved in diplomacy for relations among sovereign states.

<sup>2</sup> For background, see BULLETIN of Mar. 13, 1961, p. 359.



If the Congo operation can be maintained long enough and strong enough to set the Congo on a new path of relatively peaceful politics, there is more executive work ahead of the United Nations. There will be other vacuums to fill with pacifying troops and administrative know-how and economic aid. And there might be other kinds of operations: eventually, for example, a control system for the hundreds or thousands of satellites hurtling through the heavens.

Our Soviet friends are alarmed by the demonstration that an international agency can develop the capacity to act, and act on a substantial scale under emergency conditions. They prefer the sort of competitive, bilateral intervention in which each victory takes the form of a "compromise" by splitting a weak country in half and establishing another miserable satellite on earth. And in the longer run they are alarmed by the possibility that the growing operational capability of the United Nations to carry out a charter which is full of dangerous thoughts about freedom of choice for all men may simply bury the Communist version of history without even a major war to show for it.

This is why the Soviets have zeroed in on the Secretary-General. They know, from their own administrative experience as well as from the experience of bureaucracies everywhere, that executive power can only be effectively organized if some one person is ultimately in charge. They know that to put a committee in charge of a complex operation is a device for making sure that the operation will sicken fast with timidity and indecision, those universal symptoms of administrative failure.

But there is today in being a United Nations operation. There will have to be more and better ones in the future. That is why we have to make the Congo program work—and pick up our very large share of the tab. That is why we also need to help the United Nations get itself organized in the field of technical assistance and investment financing, so as to bring its many instruments to bear more effectively in support of each country's economic development program. That is why we have to press for cooperative operations in many fields of scientific and technical exploration.

That is why, finally, it is possible for every citizen to distinguish between phony disarmament proposals and real ones. The real ones will con-

tain plans for an international organization with the capacity to act—to inspect, to control, to publish, perhaps even to restrict to international use some of the more dangerous of mankind's toys. The phony proposals will be those which envisage a sweeping legislative act by the Parliament of Man but cripple or reject the executive follow-through.

And so I suggest to you a criterion for every action we take that affects the United Nations system of organizations: Does it enhance, or does it tend to destroy, the Organization's capacity to take executive action?

### **Pakistan Finance Minister Calls at White House**

White House press release dated March 7

Pakistan Finance Minister [Mohammed] Shoaib and Pakistan Ambassador Aziz Ahmed called on President John F. Kennedy at the White House on March 7.

The President assured Mr. Shoaib that his administration has the highest regard for, and confidence in, the close ties of friendship and alliance which bind Pakistan and the United States.

The President and Mr. Shoaib then discussed various aspects of United States-Pakistan relations, and the President expressed the continuing intention of the United States to cooperate with Pakistan in its economic development efforts. President Kennedy confirmed that the United States is prepared to negotiate a 4-year program to provide under Public Law 480 agricultural commodities to assist Pakistan's development programs.

The President also expressed to Mr. Shoaib his pleasure that President Mohammed Ayub Khan of Pakistan had accepted his invitation to pay a state visit to the United States in the latter part of November.

### **President Bourguiba of Tunisia To Visit United States**

White House press release dated March 9

President Kennedy announced on March 9 that President [Habib] Bourguiba of Tunisia has accepted his invitation to make a state visit to this country. The Tunisian President will arrive at

Washington on May 3 for a 3-day stay and will then visit several other cities in the United States. He will stay in this country approximately a week.

President Kennedy stated, in making the announcement, "Tunisia is a new state, but it has already won great respect for its devotion to princi-

ple and its determination to develop its resources and promote the welfare of its people. In greeting President Bourguiba we will not only be welcoming a dynamic leader but a statesman whose courageous advocacy of international understanding and cooperation is universally admired."

## A New Frontier in Free-World Economic Cooperation

*by Under Secretary Ball<sup>1</sup>*

I have been expatriated from Chicago for almost 20 years, and each time I return I am struck anew with the changing face of this ebullient city. It seems to me sometimes that between my all-too-rare visits you have torn down most of your buildings and replaced them with even larger and more elegant structures. Glass and aluminum and stainless steel have supplanted the brick and stone and concrete familiar to my boyhood. Chicago seems busier, more vital, and more vigorous than it did even when I was a young, confused, and overpaid lawyer—long before I became an aging, confused, and underpaid bureaucrat.

These symbols of progress are not confined to Chicago—nor are they confined to the United States. It is, I suppose, one of the most familiar clichés of our day that we live in a world of enormously rapid change. Most of us have learned that, if we Americans are to flourish as a people, as a nation, as a society, as a civilization, we must adapt our thinking and our actions to change. We must strive to direct it and not merely be moved by it.

What extraordinary things have happened in this generation! How different is the world from that of even 15 years ago! Then the most brutal war in history had just drawn to an agonizing close, leaving a great part of civilized society

shattered and in grave disorder. Nowhere was this more evident than in Europe, where the great land battles were fought. The armies that retreated or advanced across France, the Low Countries, and into Germany had left an appalling trail of devastation. And what the armies had only damaged, a massive air offensive had destroyed. Shattered cities, broken bridges, railroad yards that looked like a child's playroom the day after Christmas, factories mere bricks and rubble—I need not continue this dolorous list. Many of you were there. You remember it all too well.

In sharp contrast to this devastation the United States emerged from the war as the single strong and prosperous nation of the West. Our cities were untouched, our roads and bridges and railroads undamaged, our industrial plants unscathed. During the war years our total production had increased by nearly 100 percent. We had 60 percent of all the gold in the world. We were, in fact, the Mount Everest among world powers.

But this situation of unique prosperity was neither to our liking nor in our interest. A man cannot forever exist strong and healthy in a community where everyone else is ill. Even from a narrow economic point of view, if we were to realize our great potential for growth and development we had to have world markets. That meant we needed prosperous neighbors. What would have been desirable from a narrow economic

<sup>1</sup> Address made before the 24th Chicago World Trade Conference at Chicago, Ill., on Mar. 7 (press release 113 dated Mar. 6).

interest was made imperative by the growing shape and threat of Soviet power.

We can be proud that at that critical point in our history we acted with great wisdom. In 1947 we undertook through the Marshall plan to help rebuild the economies of our friends and neighbors. With the perspective of history we can measure the abundant success of that effort. In the 4 intensive years of the Marshall plan, the major nations of Europe recovered their strength and vitality, found a second wind, and began to march toward previously unknown levels of production at an accelerating pace. Today, as we all know, Europe is not merely prosperous but strong. Not only have the European people rebuilt their economies; they have made great progress toward unifying and combining their energies in common institutions. And as a result of these efforts, we face a wholly different relationship with our European friends and with the other advanced economies of the world.

What is the meaning of this new relationship? It is no longer a relationship of the weak to the strong, of the followers to the leader. It is something far healthier—the relationship of the strong to the stronger. We are no longer the single giant among nations. We are rather the largest giant in a world of giants, the strongest among the strong, the first among equals.

This relationship, I need hardly insist, is as it should be. It does not mean that we have failed to grow. On the contrary, we have grown enormously since those immediate postwar days. Our gross national product is  $2\frac{1}{3}$  times what it was then. Our commercial exports are nearly twice as high.

It is, of course, inevitable that such a fundamental change in economic relations must bring far-reaching implications. It is of two of the most important of these implications that I want to speak to you tonight. I suggest that they can be summed up by two words: interdependence and partnership.

#### **Interdependence of Economically Advanced Nations**

Let me comment first on the new element of interdependence that marks our relations with the other economically advanced nations. In the pre-war years, of course, dependence was all in one direction. When we were the single towering eco-

nomic power in the Western World, cyclical changes in the European economy had little effect upon our own. Our economic strength was so overwhelming that we could very well have been virtually an island unto ourselves. Our economy was largely unaffected by whatever economic policies other states might individually pursue.

Today the situation is wholly changed. In a world where currencies are widely convertible, where capital moves freely, where the windows of most of the major trading nations have been opened wider and wider to world competition, the implications of interdependence become more and more clear.

I know of no better demonstration of the full nature of this interdependence than our recent problems with our balance of payments. Our deficit, about which there has been so much discussion in the last few months, is not primarily an American problem; it reflects a basic disequilibrium in the balance of accounts of the whole free world. It is not a problem for the United States alone, and it is imperative that we not attempt to rectify it solely by our own actions.

If we attempted to eliminate our balance-of-payments deficit merely by unilateral measures—and we could do so quite easily—we would weaken the free world. We would get rid of our deficit by passing it on to countries that could sustain it only at enormous cost.

We are, therefore, determined to seek situations that will not merely shift but will diminish the imbalance in free-world accounts. Our persistent balance-of-payments deficit is to a large extent a reflection of the persistent balance-of-payments surpluses of certain other free-world countries. The solution of the free-world problem must lie, therefore, in action by surplus and deficit countries alike to restore a general and healthy equilibrium.

An appreciation of this fact underlay President Kennedy's balance-of-payments message to Congress,<sup>2</sup> and I am happy to say we have found general agreement on this point during recent discussions with certain of our European friends.

This past weekend the Government of the Federal Republic of Germany gave tangible expression to its responsibility as a surplus country when it revalued the deutsche mark by about 5 percent. This was a modest, but helpful, step toward re-

<sup>2</sup> For text, see BULLETIN of Feb. 27, 1961, p. 287.



moving the basic disequilibrium in free-world accounts. It should also serve to discourage the short-term movements that have been inspired by uncertainty as to the future value of the deutsche mark.

The Netherlands, whose reserves have also increased markedly in the past year or so, took similar action, raising the exchange rate of the guilder by approximately 5 percent. This also should contribute to a better balance in the international payments pattern.

Later this month I shall visit Germany and England. I expect that in the course of my conversations in Bonn, and in the London discussions that will follow, there will be indications of additional measures along other lines which the German Government will take toward restoring the imbalance in free-world accounts.

I do not intend tonight after such a pleasant dinner to impose upon your good humor with a detailed analysis of our balance-of-payments problem. I should like, however, to take just a moment to call attention to two contentions which have been greatly overstated:

The first is that our deficit means that American merchandise can no longer compete in the world market and, hence, we must adopt new protectionist measures. One can hardly reconcile this with our performance last year, when we had a \$4.7 billion surplus of United States merchandise exports over merchandise imports. I do not mean to suggest that there is reason for American industry to be complacent. If we do not continue to increase our productivity and if we do not restrain the pressures that can lead to a new wage-price spiral, we may yet lose our place in the world markets. I need hardly remind this audience that in today's highly competitive world American industry must compete as aggressively as it ever has in our history. There is certainly no reason for us to fear competition. But compete we must.

The second fallacy is that our balance-of-payments problem results principally, or even in substantial part, from our aid to less fortunate countries. In actual fact it has been a relatively minor influence in the past and will be even less this year. As a temporary measure we are now insisting that the dollars provided through assistance programs must be substantially spent in the United States. Two-thirds of the Mutual Security Program and about four-fifths of the overall foreign aid pro-

gram are spent in the purchase of goods and services in the United States and therefore have no effect of any kind on our balance of payments. Ninety percent of the money spent in our military assistance program goes directly to American industries and pays wages to Americans. Of the money spent abroad for these programs, most of it is respent in the United States.

#### **Achieving Common Tasks Through Partnership**

In discussing interdependence I have emphasized the potential damage the Western nations could do to one another if each were to pursue separate economic policies without reference to the effect on others. Interdependence also has a more positive aspect—the ability of the Western nations, acting in partnership, to multiply their strength for the achievement of common tasks.

The most pressing of those tasks is, of course, to defend the free world from military aggression. Almost as pressing is the need to help raise the level of life in the newly developing countries. Conditions have markedly changed since 1947, when the United States was the sole nation able to contribute substantial resources to the rebuilding of Europe. Now the Western European nations, who have recovered remarkably with our help, face, in partnership with us, a common task of assisting the less developed nations.

I am sure that I need not spell out for this knowledgeable audience the critical importance of this undertaking. Much has been said and written in recent years about the revolution of rising expectations which is sweeping the world. Primarily in the Southern Hemisphere nations are emerging from colonial status, while others are beginning to shake themselves free from centuries of lethargy.

The peoples of these areas have caught the ferment in the air. They are impelled by a great hunger for economic, political, and social advancement.

If the more prosperous free-world nations offer them the hope and the reality of such advancement, the less fortunate countries will gain the strength and self-respect to turn their energies to constructive ends. But if they are met only by frustration and disappointment, if progress appears merely a delusion, they may, in bitterness, renounce those values which our society holds most

important. Indeed, many of them may be drawn helplessly into the Communist orbit.

To help these nations develop their economies and institutions at a sufficiently rapid pace to provide the necessary promise and reality is not a task which we can or should undertake by ourselves. The very magnitude of the problem makes it necessary to mobilize our resources in concert with those of the other advanced countries if we are to succeed.

By coordinating our efforts, we can do much. Each age has its own distinctive character, and the 1960's may well, I think, be known as the Decade of Development. It is in the next 10 years that the peak effort of development must be made if we are to succeed in this great undertaking. And it is within the next 10 years that concentrated effort, by a partnership of the advanced nations, can produce fruitful results. In that decade some of the less developed countries in Asia, Africa, and Latin America—nations, for example, such as India, Pakistan, Turkey, Brazil, and the Republic of China—may be brought to the point where they can continue to grow on their own, without the need for extraordinary external assistance.

This is part of a new approach to economic development: the idea that aid should be managed in such a way that the recipient nations are encouraged to plan so that resources are concentrated within a comprehensive development program on projects calculated to get them on a self-sustaining basis at some definite future point. This approach contrasts constructively with assistance that does no more than keep a desperate economic situation from total collapse.

It would be misleading, however, to suggest that all emergency assistance can be converted to what I have referred to as long-term programmed aid. There are critical and sensitive areas in the world, such as Korea, where the constant pressure of the cold war effectively prevents an early prospect for transition to this new concept of foreign assistance.

If the economic development goals of the free world's underprivileged are to be achieved, it will come about only if the Atlantic Community recognizes the fact of interdependence and partnership. Appreciation of this situation is growing among us and our partners. But it is difficult, if not impossible, to assure such understanding merely by sporadic discussion.

We Americans recognized this fact in the field of defense in 1949, when we took the lead in the creation of the North Atlantic Treaty Organization. Today in Washington we are taking a fresh look at NATO to see how the alliance can be strengthened and our common defense efforts made more effective.

#### **Institutions for Economic Cooperation**

But now the need for common understanding and coordinated action has expanded from defense to economics. We must not hesitate to take the next step toward the creation of a mechanism that will encourage systematic cooperation among the advanced nations in the economic field.

Such an institution has existed for more than 12 years among the Western European nations in the form of the OEEC—the Organization for European Economic Cooperation. The OEEC was conceived at the very beginning of the Marshall plan in recognition of the interdependence of the weak—the European nations with a common problem of reconstruction. Now that those nations have become strong, the hard facts of economic life widen the circle of interdependence and partnership to encompass the United States and Canada as well.

These developments clearly call for a new approach. Recognizing this the United States Government in December 1959 proposed that a new Atlantic Community organization be created to supersede the Organization for European Economic Cooperation.<sup>3</sup> The United States and Canada would both be full members of this new organization, to be known as the Organization for Economic Cooperation and Development.

During the past year a long series of negotiations resulted in the drafting of a convention among 20 nations to bring such a new organization into being. This convention, the equivalent of a treaty, was signed in December and was submitted to the U.S. Senate as one of the final acts of the Eisenhower administration.<sup>4</sup> It is now before the Senate for ratification. In fact I testified only

<sup>3</sup> For background, see *ibid.*, Jan. 11, 1960, p. 43, and Feb. 1, 1960, p. 139.

<sup>4</sup> For text of the OECD convention, see *ibid.*, Jan. 2, 1961, p. 11. For an address on the OECD by Secretary Rusk and statements by Mr. Ball and Secretary of the Treasury Douglas Dillon, see *ibid.*, Mar. 6, 1961, pp. 323, 326, and 330.

yesterday afternoon at a hearing before the Senate Foreign Relations Committee to consider that ratification.

The convention as drafted is, I think, a good document. It provides a solid foundation for the Organization for Economic Cooperation and Development. It clearly states a basis on which the industrialized nations of North America and Europe agree to consult and cooperate and the reasons why they are prepared to do so. It provides the means for converting common policy objectives into effective action. It neither restricts nor impinges on the sovereign rights which each of the member countries is determined to preserve. In short the convention provides a simple, sturdy platform from which the countries of the Atlantic Community can launch cooperative and constructive action to meet the major economic problems facing us today.

The work of the OECD will fall into three main categories. First, in an implicit recognition of economic interdependence, it provides a forum in which the member countries can review and discuss their economic policies and coordinate those policies to avoid or correct distortions—including that type of distortion which has created balance-of-payments difficulties not only for the United States but for the other Western Powers. In the Western World of today such distortions will inevitably occur unless all of the major industrial powers pursue adequate policies of growth. By making it possible for the member nations to discuss and review the economic policies of other members, the total economy of the free world should function with greater efficiency and much less friction.

The second major purpose of the OECD is to provide a means for coordination in helping to move forward the sound economic expansion of the less developed countries. The OECD will carry out this work through a Development Assistance Committee. Through this committee, cooperation on ways and means of increasing the flow of development assistance as well as for an equitable sharing of the burdens of assistance may be advanced. The problems of assistance can be studied in common, and the technical knowledge of the Western industrial powers—as well as of Japan—can be put to the service of this great undertaking. This source of strength has an enormous potential. The OECD countries have

an aggregate population of almost a half a billion. They are a vast reservoir of economic resources, technical skills, and intellectual talents. They should, by coordinating their efforts, contribute greatly to helping the peoples of the newly developing lands help themselves.

In pursuing these objectives the member governments will take fully into account the political and social realities of the newly developing areas. I think it well to point out that the Development Assistance Committee will in no way operate as a monolithic “creditors’ club” to impose conditions upon recipient countries, nor will it administer aid programs. Its main purpose will be to bring about a more equitable sharing of the burdens of assistance. By mobilizing resources which have not previously been utilized for this purpose, a much higher level of assistance can be achieved during these critical years when many nations are on the verge of a breakthrough to the point where self-sustaining growth is possible.

A third and final purpose of the OECD is to make possible the consideration of broad trade policies in an international context. I think it should be emphasized that the OECD will neither establish nor administer trade rules nor have any authority regarding the trade rules of the GATT [General Agreement on Tariffs and Trade]. The OECD will not conduct tariff negotiations.

On the other hand the OECD offers a special advantage which may prove of great importance both to the United States and the other member countries. It provides a forum in which there can be a free discussion of the problems involving the “Six” and the “Seven”—the European Common Market and the European Free Trade Association. By making possible a discussion of these problems in a forum of OECD, the influence of the larger Atlantic Community, including the United States, can be brought to bear.

I think you will agree that these three broad aims of the OECD attest to the determination of the Atlantic community of nations to meet the pressing economic challenges of the sixties. We have come a long way from the depressed period when the OEEC was established as a group of nations faced with the common task of rebuilding their damaged and weakened economies. The OECD will be a grouping of strong nations, determined to increase the strength of the free world not only for their individual benefit but for the



benefit of the developing countries whose future course may well determine the shape of the world of the seventies.

We have, I believe, arrived at a new frontier in free-world economic cooperation. The promise that lies beyond holds out great hope for all free peoples to achieve their legitimate aspirations for a better and more fruitful life. But we and our allies shall not cross that frontier unless we Americans lead the way.

Let me remind you the OECD grew out of an American initiative. It is in every sense a bipartisan effort. It was proposed by the last administration, and it is supported by the present one. It is an American initiative which must not falter nor fail.

I do not think that the OECD will come into being until the United States has ratified the convention. Other countries will be likely to delay their legislative processes until the new organization has been assured of our full participation. But even before the OECD comes into being, we can still work with our allies to deal with the pressing problems of the day—provided that by an early ratification of the convention we demonstrate our intention of playing a continuing part in the new institution which we are creating.

Ladies and gentlemen, I can sum up all I have to say to you tonight in two sentences:

If the Western World is to survive, it must be strong.

If it is to be strong, the individual national states must not work at cross purposes.

That is why I am hopeful that through the new organization which is being brought into being we shall be able to multiply our strength through cooperation and dedication to common purpose.

### **Special Economic Mission Visits Bolivia**

The Department of State announced on March 9 (press release 121) that President Kennedy on the previous day had announced the departure that evening of a special mission to review the status and effectiveness of U.S. economic policies in Bolivia. The mission expects to spend approximately 2 weeks in Bolivia before returning to Washington with their recommendations. The

members of the three-man commission are Willard L. Thorp, professor of economics, Amherst College, *chairman*; Jack C. Corbett, vice president of Checchi & Co., Rome, Italy; and Seymour J. Rubin, Washington attorney. Wymberley DeR. Coerr, Deputy Assistant Secretary of State for Inter-American Affairs, will act as adviser to the mission.

### **U.S. Contributes \$1.6 Million To Close Refugee Camps in Austria**

Press release 127 dated March 10

Richard R. Brown, Director of the Office of Refugee and Migration Affairs, Department of State, announced on March 10 that the United States, responding to a request from the Government of Austria, the special representative of the Secretary-General of the United Nations, and the U.N. High Commissioner for Refugees, will provide \$1.6 million to close refugee camps in Austria. This contribution brings to over \$71.5 million the amount spent by the U.S. Government for refugee purposes during World Refugee Year.

To generate this contribution the U.S. Government will provide corn to Austria. The proceeds from sale of this corn will be used, together with funds contributed by the U.N. High Commissioner for Refugees as well as by various groups in other countries in connection with the World Refugee Year, toward the construction of permanent apartment dwellings for 3,000 refugee families. The Austrian Government is financing \$10 million of this program, which calls for an overall expenditure of \$15.5 million.

Construction under this program has already been started. It is hoped that the dwellings will be completed by the end of 1962, thus allowing for the removal of all refugees from 43 old refugee camps in Austria. Most of the refugees who will become permanently settled through this project are naturalized Austrian citizens who were formerly under the mandate of the U.N. High Commissioner. Aside from the 3,000 refugee families who will thus remain in Austria, there are several thousand foreign refugees still in Austria waiting for resettlement opportunities in other countries and new refugees continue to arrive. In 1960 alone, 5,094 refugees escaped into Austria.

## Debt and Equity for Development: New Uses for Old Tools

by Frank M. Coffin

Managing Director, Development Loan Fund<sup>1</sup>

This administration in its very brief life to date has shown a remarkable tendency to take various bulls by the horns. The President, the Secretary of State, and Ambassador Stevenson have had to deal with Laos and the Congo. Arthur Goldberg [Secretary of Labor] has helped mediate two strikes. And I am addressing this meeting of the American Society of International Law. For one whose claim to any international status, legal or financial, is less than 2 weeks old, this act demonstrates fortitude if not prudence.

For my part, this is one of the more pleasant experiences of my first 2 weeks. It compares most favorably with testifying before the Appropriations Committee seeking funds. As a Member of Congress I had always wondered why witnesses from the executive branch appeared nervous, chain smoked, and stumbled over the simplest sentences. Now I know.

Even though I speak to you without the advantage of long experience, this is not as formidable an obstacle as it might be. For the fields of international law and international economic development are alike in that ancient knowledge is less important than sensitive insight; what has been achieved is less important than what must be achieved; and each is dependent on the other.

Tonight I would dwell on two concepts of law which are also potent weapons in the arsenal of economic development—debt and equity, in the balance-sheet meanings of the terms. The history of lending and investing is much of the history of the Western World. The lower right section on the balance sheet tells much of the story of the

Industrial Revolution, the development of the United States, the power of Western Europe.

Sometimes we wonder if anything is ever really new. We read of deliberations in the new International Development Association about making loans for very long terms to developing countries, with long grace periods and low rates of interest. Then we reflect on the financing of railroads in this country in the last half of the 19th century and realize that this kind of "soft loan" for development is hardly new.

But there is something new—the temper of the times. There is a compulsiveness that begets impatience with the slow processes of decision-making by myriads of investors of capital. There is a corrosive distrust of those whose capital would make possible the extraction of the earth's wealth, to the enrichment of those who extract rather than those who reside.

The traditional uses of debt and equity seem to have greatest utility where values, customs, and traditions are shared. Where such common hallmarks of civilization are lacking and where even color is a divisive force, debt and equity require new conceptual frameworks if they are to serve the late 20th century as well as they have served earlier centuries.

Their very goals—insofar as the developing countries are concerned—are different. Increasingly we see investment, whether by debt obligation or certificates of ownership of shares, not as keys to the control of vital strategic resources, not as access to pyramiding profits, nor as steppingstones to political power. Any or all of these motives may be present, but the most farsighted of us see a link between the sound management of resources and sensitive management practices and the achievement of our ultimate political goal: a

<sup>1</sup>Address made before the American Society of International Law at New York, N.Y., on Mar. 2.

world of nations enabled through reasonably rapid economic growth to realize and preserve the basic conditions of freedom.

It is in the light of this perspective that I would like to discuss some of the new uses of our old tools—debt and equity.

#### **DLF's Unique Role**

As the new Managing Director of the Development Loan Fund, I take pride in the essential truth about this new instrument of policy: that its purpose is to use the old concept of debt for the new goal of conscious development. It does not exist to make profits. It does not pretend that development is either cheap or painless. Those who dismiss its soft-currency loans as grants in disguise miss this basic truth—that intelligent lending is one of the most effective tools of development.

As you may know, I spent 4 years on the Foreign Affairs Committee of the House of Representatives. I was a member of that committee during the time when our Government was trying to find some way by which the less developed nations might obtain the capital they needed for economic growth. We had learned since World War II that the problem of foreign aid actually consists of several quite different problems. For example, it is one thing to help rehabilitate the damaged economy of an industrialized nation which only needs some restoration of physical facilities. But it is a different thing altogether to try to establish a modern economic system in a nation which has never had one.

We realized that in order to accomplish this latter task we needed a new agency. Existing agencies, like the World Bank and the Export-Import Bank, were well equipped to help countries which could afford to borrow dollars and repay dollars in relatively normal repayment terms. But the less developed nations will not be substantial dollar earners for some time to come. Nevertheless, they need dollar financing in large amounts if they are going to carry out their development in a manner consistent with political freedom. The alternative is to meet their foreign exchange needs with rubles.

Our discussions led to the establishment of the Development Loan Fund as an agency authorized to lend money for economic growth on terms so adjusted as to avoid the trap of burdening the recipient nation with a crushing annual debt-

service load. DLF may, for example, accept repayment in the national currency of the borrowing nation rather than in dollars. We are proud of our unique role as a bank of last resort.

Thus, as you see, I have had a kind of paternal interest in the Development Loan Fund ever since it was just a gleam in Congress' eye. As a result of my studies of the agency, I contributed some amendments to the original legislation—amendments which I now must live with. There are times when I can't help remembering the man who invented the guillotine and who wound up testing his own invention.

Though it is still gathering experience, I think that the Development Loan Fund is successfully fulfilling its intended function of using debt in new ways for development. It enables us to carry out the task of aiding the emerging nations in a way that does full justice to both parties to the transaction. It makes use of the loan mechanism to put appropriate segments of our foreign aid on the basis of a businesslike, borrower-lender relationship rather than a donor-recipient relationship, which always involves some suspicion of dependency. To put it another way, DLF represents the application of proven business practices to some of our economic dealings with other nations.

The loan mechanism has many advantages. It enables us in effect to build a management overlay into our financial assistance. From the very outset, even before a loan is approved, we and the applicant work together in applying economic, technical, and financial criteria to a businesslike evaluation of the proposal. It is made clear that these factors remain dominant throughout our consideration of the proposal. And after the loan is approved and signed, the loan mechanism provides us with a legitimate and acceptable means of representing our interest in the carrying out of the undertaking.

Furthermore, a loan set up with due observance of the circumstances of both parties involves less long-range burden on their ultimate resources than any other form of aid. Finally, the general effect of the whole transaction is to help link the development effort of the borrowing nation into the business and commercial network of the free world. The practices and relationships of our free-enterprise system are built into and exemplified by the assistance transaction itself.

Our Government will still have to render a con-



siderable amount of its assistance in the form of grants. Grants are probably the most appropriate means of contributing to mutual defense efforts, of helping to meet emergencies such as famines or earthquakes, or of aiding certain noneconomic undertakings such as programs for teaching people to improve their agricultural or sanitation methods.

There may well be changes in our lending approach. Loans which now are confined to projects may underwrite overseas imports of needed commodities. Much needs to be learned about relending local currencies received in payment. There is much to be said for making loans repayable in dollars over a very long term. But whatever the changes, in the fields where they can appropriately be used I think that the new uses of debt will become increasingly valuable as time goes on.

#### **Encouraging Flow of Private Resources**

In speaking of the new uses of debt, I have been talking about a challenge to government. But government alone cannot begin to accomplish the development task. No government on earth, nor all the governments on earth combined, could muster the resources of money and talent needed fully to develop the world's opportunities for the benefit of the world's people. The underdeveloped nations include the most populous, the most fertile, the warmest and most naturally hospitable parts of the globe. They contain a good share of the world's natural resources and well over a billion people. Most of these people are living near or below the subsistence level.

What we have learned in recent years is that Government agencies like the Development Loan Fund, while providing limited financial assistance to economic projects overseas, can do so in such a way as to support and encourage a much greater flow of private resources into the development task. They can do this by helping to overcome some of the obstacles and problems that have hitherto tended to keep private enterprise out of the developing nations.

As recently as 1958, the total U.S. private investment in all the nations of the world outside of Europe and the Western Hemisphere, in all forms of activity combined, except for oil, amounted to less than \$60 million a year. Many American counties have budgets bigger than that. With investment at such a low rate, U.S. private

enterprise was not making a very significant contribution to, nor exercising much influence over, the growth of the emerging nations of Africa, Asia, and the Far East. The ironic fact was that the nations who would have much to say about the future security of enterprise as we know it were not exposed to it.

Yet in the past American enterprise has not been reluctant either to take risks or to take advantage of opportunities. And Heaven knows the emerging nations present opportunities that are both rich and varied. They are today's economic frontiers. What has kept our businessmen out of these practically virgin fields?

One outstanding obstacle is the political or economic instability that exists in many of the emerging nations. Our investors have the unfortunate image of a constant threat of invasion or insurrection, the danger of creeping or outright expropriation, the fear of governmental harassment of business operations. A disturbance of this kind in any of the developing nations tends to impair confidence in all the others. Perhaps the most pervading fear is that of the unknown. It is a fact that the less developed nations represent cultures quite different from those we are accustomed to. Their laws and methods of doing business are different, and unfortunately many of our businessmen are reluctant to operate in an unfamiliar environment and therefore have no opportunity to influence it. I sometimes wonder which comes first, investment or law. The theme of this meeting is the role of law in overseas investment. An argument could be made for the theme, the role of investment in overseas law.

Finally, demands exist here at home for most of our available talent and capital. Here, in the short run, profits are more sure. The unfortunate result of all these influences is that we risk seeing rich opportunities in some extremely important regions preempted by enterprisers from other nations, friendly or unfriendly. The risk ventures of today cut the pattern of tomorrow's trade channels.

#### **Extent of DLF's Guaranty Authority**

I submit that we have gone a long way in recent years—longer than many of you may realize—toward meeting and overcoming those problems. Today the United States Government is prepared to cut down to manageable size the risk in ventures

in emerging nations. The International Cooperation Administration is prepared to write guaranties against inconvertibility, expropriation, or war losses in 45 nations with which we have appropriate treaties. The Development Loan Fund can go even farther. It can guarantee against collection failure, repayment failure, political risk, credit risk, riot and civil commotion risk—in fact, virtually everything except normal business risk—for both loans and equity investments, in virtually any underdeveloped country regardless of treaty status—provided only that the enterprise meets DLF's normal lending criteria and that the enterprisers make an appreciable contribution of their own to the undertakings in the form of financing and management know-how. I realize that many potential American investors do not appreciate the extent of our guaranty authority. It is like the modesty of a modern maiden—not terribly obvious. I hope you will help us spread the word, for we would like to see it used more fully than it has been.

Furthermore, under appropriate circumstances, when financing is not available elsewhere, the Government is prepared to share the risk of a venture by participating in the financing on very reasonable terms. And it offers many other services that can go a long way toward overcoming the handicaps of operating in an unfamiliar part of the world.

In discussing the new opportunities for investment, I would be less than candid if I did not couple them with the new uses of investment. Your Government has struggled to work out these techniques, not to make windfall profits possible for the few but out of a faith that our competitive, risk-taking private enterprise is one of our best and most persuasive traditions. When we give economic assistance in any form, unless we increase the management consciousness and capacity of the aided country, we have merely transferred physical goods. Investment in developing countries today serves our deepest purposes only if it is a vehicle for planting the seed of sound management.

Therefore the new uses of investment in the emerging countries involve a proposal that will contribute to the economic development of the host country: enough conviction to invest some effort and money in the proposal; the determination to provide the management know-how to

make it work; often, concern for social problems connected with the enterprise; and, sometimes, the willingness to take a "turnkey" attitude—to plan for the eventual transfer of the enterprise to local management.

If a private enterpriser can subscribe to these new uses—and not all of them are legally required—he can lay before his board of directors an overseas proposition of minimal risk that may yield profits in dollars at an attractive rate. And he will be helping export management, an important ingredient of the kind of growth that nurtures freedom.

#### **A Pattern of Tomorrow's Trade**

There is a final point to make about the new uses of debt and equity for development. It is that these uses will come home to roost. I said earlier that the risks of today cut the pattern of tomorrow's trade.

There is no surer way to increase American exports in the long run than to open the vast potential market represented by the billion and a quarter people in the emerging nations of the world. If we could increase the income of each of those people by only \$4 a year, we would be creating \$5 billion worth of extra purchasing power annually. I feel little doubt that this and more will be done. Those people and those nations are driving forward, and I don't think anything in the world is going to stop them. But the extent to which their new purchasing power is directed toward the United States, the extent to which their emerging development yields benefits to American workers and producers and businessmen, is likely to depend on the extent to which we Americans participate now in the task of creating that purchasing power. We cannot abandon the development field to others and still expect to reap its harvest.

There is much more to be said on these topics. I have not told you of the many things the Development Loan Fund is doing to help improve the climate for, and stimulate the growth of, private enterprise in the developing nations. I haven't said anything about how we are trying to encourage small private enterprises through loans to development banks, nor of the assistance we are giving to economic-overhead undertakings, nor of our attempts to create opportunities for American investment, nor of our efforts to

encourage the formation of joint private enterprises and private consortiums.

What I have done is try to give you some indication of the spirit and philosophy with which we in the Development Loan Fund are approaching the challenges that confront us. We see a great potential if Government and private enterprise meet the challenges posed by these decades of development. We need your help. We believe we have something to offer you. We know that together we can put the old tools of debt and equity to new uses in a high endeavor.

## **Board of Foreign Scholarships Urges Expansion of Fulbright Program**

Press release 114 dated March 7

In a 45-minute appointment at the White House on February 27, the Board of Foreign Scholarships presented President Kennedy with a report<sup>1</sup> urging the expansion and improvement of the Fulbright educational exchange program.

The Board, a 10-member public body consisting of distinguished educators and representatives of student and veteran groups, is appointed by the President to supervise the educational exchange program under the Fulbright Act. The Fulbright program is one of the largest of the Government's educational exchange operations and has provided for the exchange of more than 40,000 graduate students, teachers, and university professors between the United States and 41 countries the world over. The exchanges have greatly increased American knowledge of foreign countries and foreign knowledge of the United States.

The Board of Foreign Scholarships' report to President Kennedy points out that the future of the Fulbright program might be jeopardized unless early measures are taken to overcome financial difficulties confronting the program. Hitherto, financing has been through foreign currencies acquired by the American Government through the sale abroad of American surplus properties or surplus agricultural commodities. A lack of funds for some countries and uncertainty about their continued availability in other countries prevents the program from being initiated in all countries

where it is needed or from being developed to an adequate level in some of the countries where it does exist.

The report urges that the size and scope of country programs be determined by the contribution they are to make to America's relationships with the countries concerned and the mutual objectives to be achieved through educational and cultural exchange rather than by the availability of foreign currencies to finance them. It also recommends that the program be enlarged, particularly in the countries of Africa, Asia, and the Western Hemisphere which need immediate assistance in fields such as education and where the Fulbright program provides an ideal mechanism for providing such assistance in a manner acceptable to the cooperating nations and with a minimum of political irritations. The program should continue to maintain and accentuate those features which give it its distinct identity and which are its principal source of strength, including its binational character and its long-range educational goals.

To facilitate expansion and improvement of the program, the report urges that three principal things be done. First, the contribution of educational and cultural exchanges to the attainment of our national foreign policy goals should be fully recognized and acknowledged as a permanent and continuing aspect of our foreign relations. To this end, a statement should be made at the highest level declaring that the encouragement, improvement, and enlargement of educational exchanges is a fundamental policy of the American Government. Secondly, larger sums of government-owned foreign currencies should be made available to the program, and, where foreign currencies are not available, dollar appropriations should be made. Third, changes in legislation permitting ample latitude for the expansion and increased effectiveness of the program should be given every consideration by the executive and legislative branches of the Government.

In receiving the Board's report, President Kennedy declared that the great value of educational and cultural exchange to improving world understanding and to strengthening our own international position had already been well proved by the gratifying results of the Fulbright and similar programs. He stated that "there is no better way of helping the new nations of Latin

<sup>1</sup> A limited number of copies of the report are available upon request from the Office of Public Services, Department of State, Washington 25, D.C.



America, Africa, and Asia in their present pursuit of freedom and better living conditions than by assisting them to develop their human resources through education. Likewise, there is no better way to strengthen our bonds of understanding and friendship with older nations than through educational and cultural interchange." The President

further declared that "the whole [exchange] field is in urgent need of policy development, unification, and vigorous direction" and that he was therefore looking to the Secretary of State "to exercise primary responsibility for policy guidance and program direction by governmental activities in this field."

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Accelerating Economic Growth in Asia and the Far East

*Statement by Isaiah Frank*

*Director, Office of International Financial and Development Affairs<sup>1</sup>*

When I say that I am truly delighted to be here, I am not simply conforming to traditional custom at gatherings of this kind. This is my first visit to the wonderful city of Bangkok, and I am indeed grateful for all the hospitality shown to us by our Thai friends. For me it is also my initiation into the work of ECAFE [Economic Commission for Asia and the Far East] on ECAFE's home ground. In the course of my duties in Washington I have become aware of the long series of important activities carried out under the aegis of this Committee. ECAFE has contributed greatly to our understanding of common problems and to the encouragement of cooperative efforts among the members to meet these problems. My Government is proud to have been associated with these efforts.

The primary focus of the work of this Committee, and indeed of ECAFE as a whole, is economic

growth. Regardless of which item on the agenda we are discussing, whether it be regional cooperation or industrial productivity or any other, we are basically concerned with how economic growth can be accelerated. For it is only through more rapid economic development that we can solve what we all recognize to be the major challenge of our times. Stripped of all the fancy words and the technical jargon, that challenge can be simply stated. It is the need to eliminate mass poverty, a condition which, sadly, is still all too common in the world. This point was discussed with great eloquence by the Philippine delegate and by many others in their opening statements.

In searching for measures to promote economic growth we are all simply trying to develop policies that will encourage the most efficient use of the resources that are presently or potentially available to our countries. This is a sound principle, regardless of the stage of economic development that a country has reached. It is the compelling urgency of the problem, however, that is so much

<sup>1</sup> Made on Jan. 28 before the 13th session of the ECAFE Committee on Industry and Natural Resources, held at Bangkok, Thailand, Jan. 26-Feb. 3. Mr. Frank was chairman of the U.S. delegation to the meeting.

greater in most of the ECAFE region and in other less developed parts of the world.

As you know, my Government has a keen interest in the economic growth of the countries of the ECAFE region. We have steadfastly recognized the vital role that sound industrialization must play in the economic growth of less developed countries. It contributes to diversification and thereby reduces the extreme vulnerability to market fluctuations resulting from excessive dependence on the production and sale of a limited number of primary products. Industrialization also has a spillover effect on general economic development through its generation and dissemination of new skills, new habits, and new disciplines among the people. My Government not only welcomes sound industrial development abroad but has been well aware that, over the years, the most rapidly industrializing countries have become not only our competitors but also at the same time our best customers.

Mr. Chairman, my country is interested in economic development everywhere. We recognize the interdependence of nations, and we feel that the growth of one should benefit the growth of others. In fact our purpose here is to help one another. It is not to engage in the "dance of the percentages" or in claims of the superiority of one system over another, as was done by one of the delegates yesterday.

Newly developing countries are in increasing measure realizing the interrelationship between industry and agriculture and other sectors of an economy. Countries vary a great deal. Some enjoy a high standard of living even though agriculture is the predominant source of wealth. Our distinguished colleague here from New Zealand represents a country which, I believe, is a good example of this. My own country is frequently considered to be an industrial giant. While this is true, it should be recognized that our agriculture is also of sizable proportions. Although our industrial exports far exceed the agricultural, we are the largest exporters of agricultural products in the world. We know that each sector of our economy rests heavily on the other sectors. We believe that a strengthening of our agriculture is conducive to a stronger industry. There is no magic formula which determines what is the best balance in a country between agriculture and manufacturing. And

what is the best balance, at one time, may change from decade to decade.

#### **U.S. Development Assistance**

In recent years my Government has made great efforts to cooperate with countries of the ECAFE region attempting to further the development of industry. Our industrial resources program under the United States International Cooperation Administration is designed to assist countries in accelerating their industrial development by helping them to develop the infrastructure, institutions, technology, and plant which will promote industrial and economic growth. Close to \$2 billion of U.S. assistance under this program has since 1954 gone into industrial development activities among the countries of the Far East and South Asia. The ICA has supported, in specific cases far too numerous to mention, expansion in power production and distribution, communications, mining, and manufacturing. As for manufacturing, our ICA assistance has included aid to a large number of plants in the ECAFE region in numerous fields such as cement, paper, building materials, chemicals, textiles, pharmaceuticals, glass, ceramics, metal products, plastics, soap, paint, jute, plywood, rubber products, aluminum, food processing, fertilizers, and many others.

A very substantial part of our Export-Import Bank loans to the lesser developed members of ECAFE (totaling over \$445 million since June 30, 1954) has also gone to finance dollar costs of a variety of industrial and infrastructural projects. This is likewise true of the loans to the regional members of ECAFE by the U.S. Development Loan Fund; its cumulative loan approvals to these countries amount to over \$1 billion.

Examples of projects for which credits were approved by the U.S. Development Loan Fund in fiscal year 1960 are: a cement plant in Ceylon; a glass plant in China; power plants in India; an automotive and parts manufacturing plant in Indonesia; a chemical plant in Korea; a railway in Pakistan; a pulp and paper plant in the Philippines.

In addition to the types of aid which I have mentioned, a considerable amount of the local currencies acquired from the sale of commodities under our P.L. 480 [Agricultural Trade Development and Assistance Act] programs is also used

in support of industrial projects. And, over and above the aid provided through United States instrumentalities, my Government has strongly supported various international agencies which in turn have assisted the area in its industrial development.

#### Technological Change and Innovation

In addition to capital support, my Government has tried to be of assistance in promoting technological change and innovation, which are so essential to industrial development. For example, in 10 ECAFE countries we have supported productivity and industrial development centers which are proving effective in providing technical, managerial, and financial know-how. In 1959 alone we supported over 900 industry trainees in the United States and in third countries. We have provided technical advisers. We have also assisted countries to acquire nuclear research reactors and in other ways have tried to help stimulate new forms of industry.

It is gratifying that this Committee has seen fit to devote several of its agenda items to various aspects of the subject of technological change in its relation to economic development. So much emphasis tends to be placed on the need for capital resources that I fear there is in many quarters an inadequate appreciation of the crucial role of technological change and innovation in the development process. There are many aspects to the innovation role, including the creation of new products, new methods of producing existing products, the creation of new markets and distribution techniques, new sources of supply, and new forms of organization of industry. All of these changes are of the essence of the dynamic process of economic growth.

If you will permit me once again to refer to my own country, Mr. Chairman, I should like to cite the results of a study of productivity change in the United States. The study was done under the auspices of the National Bureau of Economic Research, and the results are summarized in a small volume by Solomon Fabricant entitled *Basic Facts on Productivity Change*. The study concludes that, of the threefold increase in output per head in the United States between 1875 and 1950, an increase in tangible capital input ac-

counted for approximately 14 percent, whereas 86 percent of the increase was due to technological progress. In short, economic growth requires steady innovation widely diffused throughout the economy—in small shops as well as in large factories, in petty ways as well as in dramatic ones.

Over much of its history my country has leaned heavily on foreign investment, largely private, to support its rapid development. It has welcomed this help and tried to provide an investment environment conducive to the inflow of capital. It has also tried to maintain within its own institutions an environment hospitable to private saving, private investment, and private initiative. This has worked well for us, and we consider that it has contributed significantly to our growth as an industrial country.

The United States has done much in recent years to promote the flow of American capital into the less developed countries. Today we are actively encouraging other advanced countries to do likewise and are also supporting the efforts of international agencies toward the same end.

I would add that there is much for developing, capital-receiving countries themselves to do to help in this process of providing proper conditions to stimulate saving and to encourage investment. In fact the primary responsibility must be theirs, a point given explicit recognition in the recent General Assembly resolution<sup>2</sup> sponsored by India, which deals with the need to increase the flow of capital. I have noted also from the recent Colombo Plan deliberations that more and more Asian countries fully recognize this responsibility and are in fact taking active steps to improve these conditions. And may I refer in this connection to the recent Pakistan resolution<sup>3</sup> passed by the General Assembly, dealing with means to encourage private capital investment such as national or international credit insurance and investment guaranty arrangements.

We hope that these efforts are sustained and successful. We believe they can significantly contribute to the growth of industry and to furthering what is the urgent goal and common hope of all of us—namely, raising the standards of living of the Asian peoples.

And may I conclude with a reaffirmation of

<sup>2</sup> U.N. doc. A/RES/1522(XV).

<sup>3</sup> U.N. doc. A/RES/1523(XV).



American objectives, Mr. Chairman, by quoting from the inaugural address of our new President, John F. Kennedy:<sup>4</sup>

"To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required. . . ."

## Manifestations of Anti-Semitism

*Statement by Mrs. Marietta Tree<sup>1</sup>*

The outbreak of anti-Semitic outrages in 1959 shocked the world. These incidents were recognized as a serious potential threat to the rights and freedoms set forth in the Universal Declaration of Human Rights. The question arose in anxious minds with bitter memories: Will these fires be extinguished, or will they grow into widespread conflagrations?

Faced with this disturbing question, the Subcommission on Prevention of Discrimination and Protection of Minorities met its responsibilities in a manner characteristic of its dedicated membership. It acted promptly, by resolution, to express its deep concern over these manifestations of anti-Semitism; to affirm its belief that it is the responsibility of the international community to speak out against such manifestations; to ascertain the underlying factors and causes; and to recommend the most effective measures which can be taken against them.

Now we have before us the results of the subcommission's initiative and the cooperation of many member states, UNESCO [United Nations Educational, Scientific and Cultural Organization], and international nongovernmental organizations concerned.<sup>2</sup>

To a certain extent these reports are reassuring. The wave of outrages was brought under control in all countries by May or June of 1960. Public

reaction was invariably strong and condemnatory of the demonstrations, and official action was prompt and vigorous to prosecute wrongdoers and to prevent repetition.

But if the fever has subsided, there is no assurance that a disease which has for many centuries been so virulent, persistent, and widespread will not flare up again. The reports did indicate an appalling ignorance of the younger generation regarding the significance of the swastika and the crimes and horrors of which it is a symbol. In some areas remedial efforts appear to be under way. This is encouraging. But the problem, as I have indicated, is persistent and deep. It is at the same time educational, sociological, and psychological. Consequently we are glad to note from the UNESCO report that it is undertaking a number of sociological and psychological studies of youth attitudes in this vital field of people with different characteristics living together. The aim is to shed light on the underlying causes of the recent evidences of race prejudice in certain youth groups.

It is also encouraging that governments have not taken this matter lightly. Those countries reporting on incidents of anti-Semitism taking place in their countries in every instance expressed grave concern. Moreover, these governments reported that they had immediately taken steps to punish the perpetrators of incidents and to prevent recurrences.

This willingness to face the facts and to take the necessary actions is encouraging. This Commission must continue to act as a prod to the consciences of governments, to stimulate governments to face up to actual conditions in their own countries, and to take the necessary steps to correct conditions of prejudice and discrimination.

Of the documentation before us on this subject, information provided by the Government of the Federal Republic of Germany in document E/CN.4/Sub.2/208/Add. 2 is the most comprehensive. The communication from my Government on this subject is set forth in Add. 1 of this document. My Government expresses its deepest regret that any such incidents took place here. The denunciation of these incidents was immediate and spontaneous. Leaders of all groups deplored the incidents and took steps to punish and prevent further incidents. The United States Congress adopted a resolution expressing its profound sense of indig-

<sup>4</sup> BULLETIN of Feb. 6, 1961, p. 175.

<sup>1</sup> Made in the U.N. Commission on Human Rights on Mar. 6 (U.S./U.N. press release 3662). Mrs. Tree is U.S. Representative on the Commission.

<sup>2</sup> For the report of the 13th session of the Subcommission on Prevention of Discrimination and Protection of Minorities, see U.N. doc. E/CN.4/815 and Corr. 1.

nation and shock at the epidemic of desecration and called upon all persons and governments to exert their energies to the end that these shameful events shall not recur. Comments from other countries given in document 208 and Add. 1 are along the same line.

Nongovernmental organizations have provided us in document L.216, with Add. 1 through 6, with additional information on countries where these incidents took place. These organizations provide considerable information about the United States; for example, on pages 26 to 45 of document L.216. This same document provides information on the United Kingdom on pages 46 to 56, on Austria on pages 61 to 65, on Norway on pages 67 to 69, and on the U.S.S.R. on pages 25 to 27, and in Add. 2 and 4 of document L.216.

Some of the countries referred to by the nongovernmental organizations had already provided an explanation of the situation in their countries. Other countries referred to, which had not initially responded to the request of the Secretary-General for information, in some instances commented on the reports of the nongovernmental organizations. Unfortunately, some United Nations member states referred to in these reports have not responded with an account of the situation in their countries, nor have they indicated an intention to punish those responsible for the anti-Semitic incidents in their countries or to take necessary steps to put an end to such incidents in the future. Let us hope that they will soon join in the fight against this virulent prejudice.

We note that the Subcommittee on Prevention of Discrimination has decided to take up this question at a later session, should circumstances render it necessary. My delegation therefore proposes that UNESCO, the Secretary-General, and the nongovernmental organizations concerned continue to keep this question under review. Interested nongovernmental organizations should, in our view, continue to provide the Secretary-General and UNESCO with reports on any incidents or actions in this field in order to assist the Secretary-General in keeping abreast of the question. Of course, this material will be—and should be—incorporated in the periodic reports.

Mr. Chairman, anti-Semitism is a disease which none of us can afford to ignore. Its conquest will not be easy; but conquer it we must. The type of hate which can be directed blindly against any one

group can also be directed just as blindly against another just because it is different. Healthy human rights will require that no government and no individual stand aside from the struggle to wipe out anti-Semitism and other forms of racial and religious hate.

## **Robert S. Benjamin Appointed to U.S. Committee for U.N.**

The White House announced on March 6 that the President on that day had appointed Robert S. Benjamin as national chairman of the U.S. Committee for the United Nations during 1961.

## **Current U.N. Documents: A Selected Bibliography<sup>1</sup>**

### **Security Council**

Exchange of communications between the Secretary-General and the President of the Republic of the Congo dated January 28 and 29. S/4643. January 29, 1961. 5 pp.

Communication addressed to the Secretary-General by the permanent representative of Belgium concerning detention of Belgian nationals in the Congo. S/4649. January 30, 1961. 6 pp.

Letter of February 11, 1961, addressed to the President of the Security Council from the permanent representative of the Soviet Union concerning reports of the death of Patrice Lumumba. S/4686. February 11, 1961. 3 pp.

Report to the Secretary-General from his special representative in the Congo regarding Patrice Lumumba. S/4688, February 12, 1961, 10 pp.; and Add. 1, February 13, 1961, 4 pp.

Report on the recent developments in northern Katanga from the special representative of the Secretary-General. S/4691, February 12, 1961, 3 pp.; Add. 1, February 16, 1961, 2 pp.; and Add. 2, February 20, 1961, 2 pp.

Letter of February 14, 1961, from the Soviet representative to the U.N. to the President of the Security Council transmitting a statement by the Soviet Government on the death of Patrice Lumumba. S/4704. February 14, 1961. 6 pp.

Letter of February 17, 1961, from the representative of the Republic of the Congo addressed to the Secretary-General concerning the landing of a United Arab Republic aircraft at Lisala on December 31. S/4724. February 17, 1961. 3 pp.

Report of the special representative of the Secretary-General concerning arrest and deportation of political personalities in the Congo. S/4727, February 18, 1961, 3 pp.; Add. 1 and Corr. 1, February 19, 1961, 5 pp.; and Add. 3, February 27, 1961, 2 pp.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Automotive Traffic

Convention concerning customs facilities for touring. Done at New York June 4, 1954. Entered into force September 11, 1957. TIAS 3879.  
*Extension to:* St. Christopher, Nevis and Anguilla, January 9, 1961.

##### Shipping

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva March 6, 1948. Entered into force March 17, 1958. TIAS 4044.  
*Acceptance deposited:* Indonesia (with a statement), January 18, 1961.

##### Sugar

International sugar agreement, 1958. Done at London December 1, 1958. Entered into force January 1, 1959. TIAS 4389.  
*Ratification deposited:* Netherlands, February 2, 1961.

#### BILATERAL

##### Australia

Agreement amending the agreement of June 22, 1956 (TIAS 3830), concerning civil uses of atomic energy. Signed at Washington September 14, 1960.  
*Entered into force:* March 6, 1961.

##### France

Agreement amending the agricultural commodities agreement of March 21, 1959 (TIAS 4212). Effected by exchange of notes at Paris February 23, 1961. Entered into force February 23, 1961.

##### Peru

Agreement granting reciprocal customs privileges for Foreign Service personnel. Effected by exchanges of notes at Lima November 7 and December 28, 1960, and February 4 and 13, 1961. Entered into force February 13, 1961.

##### United Kingdom

The following agreements were superseded February 10, 1961, by the agreement of February 10, 1961, concerning United States defense areas in the federation of The West Indies:

Agreement for the settlement of certain outstanding matters arising out of the establishment of the U.S. Air Force Base in Trinidad. Effected by exchange of notes at Washington September 19, 1949. TIAS 1985.

Agreement for carrying out the purposes of paragraph (4) of annex III(E) of the leased bases agreement of March 27, 1941 (55 Stat. 1560), relating to the U.S. fleet anchorage in the Gulf of Paria. Effected by exchange of notes at Washington February 6 and March 6, 1951. TIAS 2431.

Agreement relating to the extension of the Bahamas Long Range Proving Ground for guided missiles by the establishment of additional sites in the Turks

and Caicos Islands, and related notes. Signed at Washington January 15, 1952. TIAS 2426.

Agreement concerning the utilization of leased base areas in St. Lucia. Signed at Castries July 29, 1952. TIAS 2673.

Agreement to permit the utilization by Trinidad and Tobago of the Five Islands for recreational purposes as well as for a quarantine station. Effected by exchange of letters at Port-of-Spain November 19, 1953, and July 19, 1954. TIAS 3006.

Agreement concerning the extension of the Bahamas Long Range Proving Ground by the establishment of additional sites in Saint Lucia. Signed at Washington June 25, 1956. TIAS 3595.

Agreement for the establishment in Barbados of an oceanographic research station. Signed at Washington November 1, 1956. TIAS 3672.

Agreement for the establishment of an oceanographic research station in the Turks and Caicos Islands. Signed at Washington November 27, 1956. TIAS 3696.

Agreement supplementing the agreement of November 1, 1956 (TIAS 3672), for the establishment in Barbados of an oceanographic research station. Effected by exchange of notes at Washington October 30, 1957. TIAS 3926.

Agreement relating to the use of the Bahamas Long Range Proving Ground for the observing and tracking of artificial earth satellites and other space vehicles. Effected by exchange of notes at Washington March 16 and April 16, 1959. TIAS 4215.

Agreement supplementing the agreement of November 27, 1956 (TIAS 3696), for the establishment of an oceanographic research station in the Turks and Caicos Islands. Effected by exchange of notes at Washington May 12, 1960. TIAS 4478.

## DEPARTMENT AND FOREIGN SERVICE

### Confirmations

The Senate on March 7 confirmed the following nominations:

Jonathan B. Bingham to be a representative of the United States on the Trusteeship Council of the United Nations. (For biographic details, see White House press release dated January 28.)

Philip H. Coombs to be an Assistant Secretary of State. (For biographic details, see White House press release dated February 9.)

George F. Kennan to be Ambassador to Yugoslavia. (For biographic details, see White House press release dated February 8.)

Francis T. P. Plimpton to be deputy representative of the United States to the United Nations, and a deputy representative of the United States in the Security Council of the United Nations. (For biographic details, see White House press release dated January 28.)

The Senate on March 8 confirmed Mrs. Gladys A. Tillett to be the representative of the United States on the Commission on the Status of Women of the Economic and Social Council of the United Nations. (For biographic details, see Department of State press release 125 dated March 10.)



## Appointments

Lucius D. Battle as Special Assistant to the Secretary of State and Executive Secretary of the Department of State, effective February 27. (For biographic details, see Department of State press release 83 dated February 23.)

John L. Salter as Deputy Director of the International Cooperation Administration for Congressional Relations, effective March 2. (For biographic details, see Department of State press release 106 dated March 2.)

## Designations

Samuel C. Adams, Jr., as International Cooperation Administration Representative in the Republic of Mali, effective February 27. (For biographic details, see Department of State press release 91 dated February 27.)

Eugene A. Gilmore as Director, Office of West Coast Affairs, Bureau of Inter-American Affairs, effective March 6.

Rey M. Hill as Regional Director for Latin American Operations, International Cooperation Administration, effective March 9. (For biographic details, see Department of State press release 107 dated March 3.)

Arch K. Jean as Executive Director, Bureau of Far Eastern Affairs, effective January 24.

Marshall P. Jones and William Roy Little as Special Assistants to the Assistant Secretary for Administration, effective February 28.

George A. Morgan as Deputy Counselor of the Department of State, effective February 16.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**Defense—Loan of Vessel to Canada.** TIAS 4593. 4 pp. 5¢.

Agreement between the United States of America and Canada. Exchange of notes—Signed at Washington July 20 and August 23 and 31, 1960. Entered into force August 31, 1960.

**Defense—Weapons Production Program.** TIAS 4594. 9 pp. 10¢.

Agreement between the United States of America and Portugal. Exchange of notes—Signed at Lisbon September 26, 1960. Entered into force September 26, 1960.

**Military Mission to Costa Rica.** TIAS 4595. 2 pp. 5¢.

Agreement between the United States of America and Costa Rica, amending and extending the agreement of December 10, 1945, as amended and extended. Exchange of notes—Signed at Washington March 4 and October 17, 1958. Entered into force October 17, 1958. Operative retroactively December 10, 1957.

**Radio Communications Between Amateur Stations on Behalf of Third Parties.** TIAS 4596. 4 pp. 5¢.

Agreement between the United States of America and Paraguay. Exchange of notes—Dated at Asunción August 31 and October 6, 1960. Entered into force November 5, 1960.

**Defense—Extension of Loan of Vessel to China.** TIAS 4597. 6 pp. 5¢.

Agreement between the United States of America and China. Exchange of notes—Signed at Taipei October 12, 1960. Entered into force October 12, 1960.

### Check List of Department of State Press Releases: March 6-12

Press releases may be obtained from the Office of News, Department of State, Washington 25, D.C.

No.	Date	Subject
111	3/6	Rusk: interview on BBC.
*112	3/6	Hare sworn in as Ambassador to Turkey (biographic details).
113	3/6	Ball: "A New Frontier in Free-World Economic Cooperation."
114	3/7	Report on future of Fulbright program.
*115	3/7	Finletter sworn in as U.S. Representative on North Atlantic Council (biographic details).
*116	3/8	Macomber sworn in as Ambassador to Jordan (biographic details).
†117	3/8	White: Columbia River treaty.
*118	3/9	Merchant sworn in as Ambassador to Canada (biographic details).
119	3/9	News executives to attend foreign policy briefings.
*120	3/9	Wharton sworn in as Ambassador to Norway (biographic details).
121	3/9	Special economic mission to Bolivia (rewrite).
122	3/9	Rusk: news conference.
†123	3/9	Joint U.S.-Canadian Committee on Trade and Economic Affairs.
124	3/10	Tunisia credentials (rewrite).
*125	3/10	Mrs. Tillett sworn in as U. S. representative on U.N. Commission on Status of Women (biographic details).
*126	3/10	Guffer sworn in as Ambassador to Finland (biographic details).
127	3/10	U.S. contribution for refugees in Austria.
*128	3/10	Tubby sworn in as Assistant Secretary for Public Affairs (biographic details).
129	3/11	Cleveland: American Association for the United Nations.
131	3/11	Ambassador Harriman visits Iran.

\*Not printed.

†Held for a later issue of the BULLETIN.

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